SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2007

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to _______________

Commission file number 0-15888

IGENE Biotechnology, Inc.
(Name of Small Business Issuer in Its Charter)

Maryland	52-1230461
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9110 Red Branch Road, Columbia, Maryland	21045
(Address of principal executive offices)	(Zip Code)

(410) 997-2599
(Issuer's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Name of Each Exchange on Which Registered
None	None

Securities registered pursuant to Section 12(g) of the Exchange Act:

Common Stock (par value $.01 per share)
(Title of class)

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. [ ]

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES _X_ NO ___

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ___ NO _X_

State issuer's revenues for its most recent fiscal year $ 2,286,730

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to t*he price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days. $1,012,436 as of April 11, 2008
(Note: The officers and directors of the issuer are considered affiliates for purposes of this calculation.)

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. As of April 11, 2008 there were 110,337,072 shares of the issuer's common stock outstanding.

CAUTIONARY STATEMENT FOR PURPOSES OF "SAFE HARBOR PROVISIONS" OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:

EXCEPT FOR HISTORICAL FACTS, ALL MATTERS DISCUSSED IN THIS REPORT, WHICH ARE FORWARD-LOOKING, INVOLVE A HIGH DEGREE OF RISK AND UNCERTAINTY. CERTAIN STATEMENTS IN THIS REPORT SET FORTH MANAGEMENT'S INTENTIONS, PLANS, BELIEFS, EXPECTATIONS OR PREDICTIONS OF THE FUTURE BASED ON CURRENT FACTS AND ANALYSES. WHEN WE USE THE WORDS "BELIEVE," "EXPECT," "ANTICIPATE," "ESTIMATE," "TARGET," "INTEND" OR SIMILAR EXPRESSIONS, WE INTEND TO IDENTIFY FORWARD-LOOKING STATEMENTS. YOU SHOULD NOT PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE OF THIS REPORT. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE INDICATED IN SUCH STATEMENT, DUE TO A VARIETY OF FACTORS, RISKS AND UNCERTAINTIES INCLUDING, BUT NOT LIMITED TO, COMPETITIVE PRESSURES FROM OTHER COMPANIES AND WITHIN THE BIOTECH INDUSTRY, ECONOMIC CONDITIONS IN THE COMPANY'S PRIMARY MARKETS, EXCHANGE RATE FLUCTUATIONS, REDUCED PRODUCT DEMAND, INCREASED COMPETITION, INABILITY TO PRODUCE REQUIRED CAPACITY, UNAVAILABILITY OF FINANCING, GOVERNMENT ACTION, WEATHER CONDITIONS AND OTHER UNCERTAINTIES, INCLUDING THOSE DETAILED IN "RISK FACTORS" THAT ARE INCLUDED FROM TIME TO TIME IN THE COMPANY'S SECURITIES AND EXCHANGE COMMISSION FILINGS. IF ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALIZE, OR IF THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, OUR ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPECTED OR PROJECTED. WE ASSUME NO OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENTS IN ORDER TO REFLECT ANY EVENT OR CIRCUMSTANCE THAT MAY ARISE AFTER THE DATE OF THIS REPORT, OTHER THAN AS MAY BE REQUIRED BY APPLICABLE LAW OR REGULATION.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

General

IGENE Biotechnology, Inc. ("Igene" or the "Company") was incorporated in the State of Maryland on October 27, 1981 to develop, produce and market value-added specialty biochemical products. Igene is a supplier of natural astaxanthin, an essential nutrient in different feed applications and a source of pigment for coloring farmed salmon species. Igene is also venturing to supply astaxanthin as a nutraceutical ingredient. Igene is focused on research and development in the areas of fermentation technology, nutrition and health and the marketing of products and applications worldwide. Igene is the developer of AstaXin®, a natural astaxanthin product made from yeast, which is used as a source of pigment for coloring farmed salmonids.

Igene has devoted its resources to the development of proprietary processes to convert selected agricultural raw materials or feedstocks into commercially useful and cost effective products for the food, feed, flavor and agrochemical industries. In developing these processes and products, Igene has relied on the expertise and skills of its in-house scientific staff and, for special projects, various consultants.

In 2000, Igene formed a wholly-owned subsidiary in Chile, Igene Chile Comercial, Ltda. The subsidiary has a sales and customer service office in Puerto Varas, Chile, and a product warehouse in Puerto Montt, Chile.

In an effort to develop a dependable source of production, on March 19, 2003, Tate & Lyle PLC ("Tate") and Igene announced a 50:50 joint venture to produce AstaXin® for the aquaculture industry, which we refer to as the "Joint Venture." Production utilized Tate's fermentation capability together with the unique technology developed by Igene. Part of Tate's existing citric acid facility located in Selby, England, was modified to include the production of this product. Tate's investment of approximately $24,600,000 included certain of its facility assets that were used in citric acid production. Igene's contribution to the Joint Venture, including its intellectual property and its subsidiary in Chile, was valued by the parties as approximately equal to Tate's contribution. For accounting purposes Igene's accounting contribution was valued at zero.

On October 31, 2007, Igene and Tate entered into a Separation Agreement pursuant to which the Joint Venture Agreement was terminated. As part of the Separation Agreement, Igene sold to Tate its 50% interest in the Joint Venture and the Joint Venture sold to Igene its intellectual property, inventory and certain assets and lab equipment utilized by the Joint Venture as well as Igene's subsidiary in Chile. The purchase price paid by Tate to Igene for its 50% interest in the Joint Venture was 50% of the Joint Venture's net working capital. The purchase price paid by Igene for the inventory was an amount equal to 50% of the Joint Venture's net working capital, the assumption of various liabilities and the current market price of the inventory, less specified amounts. In addition, Igene agreed to pay to Tate an amount equal to 5% of Igene's gross revenues from the sale of astaxanthin up to a maximum of $5,000,000. Tate agreed for a period of five years not to engage in the astaxanthin business.

As a result of the Joint Venture termination, Igene is not currently producing astaxanthin products, and is researching several alternatives for a potential new source of production. At the current pace, Igene expects to have inventories of existing product necessary to meet demand through the third quarter of 2008. Igene expects to be out of the market for an uncertain period of time following the third quarter of 2008 until a new source of production can be identified, commence operations and yield salable product.

Government Regulation

The manufacturing and marketing of most of the products Igene has developed are, and will likely continue to be, subject to regulation by various governmental agencies in the United States, including the Food and Drug Administration ("FDA"), the Department of Agriculture ("USDA"), the Environmental Protection Agency ("EPA"), and comparable agencies in other countries. Igene, as a matter of policy, requires that its products conform to current Good Manufacturing Practices ("GMPs") (as defined under the Federal Food, Drug and Cosmetic Act and the rules and regulations thereunder) and Igene believes all of its products so conform. The extent of any adverse governmental regulation that might arise from future administrative or legislative action, including current rules and regulations pertaining to the process of GRAS (Generally Recognized as Safe) affirmations, cannot be predicted.

In a notice published in the Federal Register on July 6, 2000, the FDA announced the amendment of its color additive regulations to provide for the safe use of Phaffia yeast, such as that in Igene's product, AstaXin®, as a color additive in aquaculture feeds. This ruling, which became effective August 8, 2000, allows Igene to market its product, AstaXin®, for aquaculture feeds and fish produced in, or imported into, the United States. This ruling is available to the public in the Federal Register. Igene has also previously obtained approval for AstaXin® from the Canadian Food Inspection Agency (CFIA). Additional foreign approval applications for AstaXin® have been granted in the European Union.

In July 2000, Igene also obtained clearance from the FDA to market AstaXin® as a human dietary supplement in the United States. Scientific literature indicates that natural astaxanthin, such as that in Igene's product, AstaXin®, may offer health benefits for humans due to its antioxidant properties. The FDA notification and Igene's submissions are available to the public from the FDA. Comparable agencies in the European Union and other foreign countries may have their own additional registration procedures. No additional applications for approval of AstaXin® as a human nutritional supplement have yet been submitted.

Igene has not incurred and does not anticipate any material environmental compliance costs.

Research and Development

As of December 31, 2007, Igene had expended approximately $17,253,000 on research and development since its inception on October 27, 1981. The costs listed below for 2007 and 2006 were reimbursed by the Joint Venture through October 31, 2007. Sales of astaxanthin (through Igene and the Joint Venture) resulted in revenues of $49,400,000 as of December 31, 2007, $39,500,000 of which were realized through the Joint Venture. From November 1, through December 31, 2007, $2,286,730 of this revenue was recorded on the books of Igene. Igene will continue to incur research and development costs in connection with improvements in its existing processes and products, but it does not anticipate development of new processes and products in 2008.

Research and development expenditures for each of the last two years are as follows:

2007	$ 983,610
2006	$ 847,598

Igene's research and development activities have resulted in the development of processes to produce the products hereinafter discussed.

Commercial Products

AstaXin®

AstaXin® is Igene's registered trademark for its dried yeast product made from a proprietary strain of yeast developed by Igene. AstaXin® is a natural source of astaxanthin, a pigment which imparts the characteristic red color to the flesh of salmon, trout, prawns and certain other types of fish and shellfish. In the ocean, salmon and trout obtain astaxanthin from krill and other planktonic crustaceans in their diet. A krill and crustacean diet would be prohibitively expensive for farm-raised salmonids. Without the addition of astaxanthin, the flesh of such fish is a pale, off-white color, which is less appealing to consumers expecting the characteristic "salmon-colored" fish. Fish feeding trials in Europe, Asia, and North and South America have demonstrated the efficacy of AstaXin® in pigmenting fish. An estimated 1,000,000 metric tons of farm-raised salmon are produced annually worldwide. The Joint Venture derived revenue during 2007 and 2006 from sales of AstaXin®, the majority of which sales were to fish producers in the aquaculture industry in Chile. Additional revenues were derived from sales exported to the European Union, Japan and Canada, and marketing efforts for AstaXin® are intended for Norway. Marketing efforts are through Igene personnel to both farmers and feed manufacturers.

Based on estimates of worldwide production of farm raised salmon, Igene believes the market for astaxanthin as a color additive in salmon feed exceeds $200,000,000 per year worldwide, which would require approximately 10,000 metric tons of AstaXin® to serve 100% of the market. A single competitor, who produces a chemically synthesized product, presently controls more than 80% of the world market for astaxanthin as a pigment for aquaculture.

During 2001, Igene began investigating other possible commercial uses of astaxanthin, including its application as a human nutritional supplement. Igene has formulated natural astaxanthin as a super-antioxidant, AstaXin®, for the North American dietary supplement market. Antioxidants are one of the largest product categories in the health and nutrition industry. Attempts to pursue this business have only been minimal.

Patents and Trademarks

It is Igene's policy to protect its intellectual property rights by a variety of means, including applying for patents and trademarks in the United States and in other countries. Igene also relies upon trade secrets and improvements, un-patented proprietary know-how and continuing technological innovation to develop and maintain its competitive position. Igene places restrictions in its agreements with third parties with respect to the use and disclosure of any of its proprietary technology. Igene also has internal nondisclosure safeguards, including confidentiality agreements with employees and consultants.

All patents and trademarks are carefully reviewed and those with no foreseeable commercial value are abandoned to eliminate costly maintenance fees. Patents and trademarks on technology and products with recognized commercial value, and which Igene is currently maintaining, include those for AstaXin®, have various remaining lives ranging from 1 to 22 years.

Competition

Competitors in the biotechnology field in the United States and elsewhere are numerous and include major chemical, pharmaceutical and food companies, as well as specialized biotechnology companies. Competition can be expected to increase as small biotechnology companies continue to be purchased by major multinational corporations with substantial resources. Competition is also expected to increase with the introduction of more diverse products developed by biotechnology firms, increasing research cooperation among academic institutions and large corporations, and continued government funding of research and development activities in the biotechnology field, both in the United States and overseas. Unlike the majority of biotechnology companies, which are developing products principally for the pharmaceutical industry, Igene has focused its own activities on the development of proprietary products for use in aquaculture and nutritional supplement industries. In the future, however, competitors may offer products, that, by reason of price, or efficacy, or more substantial resources for technology advances, may be superior to Igene's existing or future products.

A single large pharmaceutical company presently dominates the market for astaxanthin pigment for aquaculture in which Igene's product, AstaXin®, is presently marketed and sold. Igene believes that AstaXin®, which is made from yeast, will compete with this dominant producer, and other producers whose products are chemically synthesized, based on its use of natural ingredients. As consumers and producers of fish become more aware of other alternatives, Igene believes that they will desire natural ingredients, such as those in AstaXin®.

Several companies are also known to be developing and marketing other natural astaxanthin products. Some of these companies' products are made from algae, while others are made from yeast. Igene believes that AstaXin® will compete with other companies' astaxanthin products which are made from algae, due to Igene's higher production capacity and lower production costs, but can provide no assurances in that regard. Igene also believes that AstaXin® will compete with other companies' astaxanthin products which are also made from yeast due to Igene's proprietary process to disrupt yeast cell walls, which, as studies have shown, makes AstaXin® more readily absorbed by fish.

Igene is also beginning to explore the possible use of AstaXin® as a human nutritional supplement. This market is attractive because of potentially higher profit margins. Other companies are known to also be developing and marketing astaxanthin products for the human nutritional supplement market. Igene cannot yet predict how competitive it would be in this market.

With the termination of the Joint Venture, Igene has undertaken the process of negotiating for new manufacturing capacity. The Company estimates the current supply of AstaXin® product will be sold by the fourth quarter of 2008. In finding a new manufacturing facility, Igene will need to locate a fermentation facility that will provide both a dependable and a cost effective structure. Should Igene be able to accomplish this, it would then need to reenter the market place.

Sources and Availability of Raw Materials

Raw materials used in the manufacture of AstaXin® consist principally of agricultural commodities widely available in world markets from many suppliers, which may be used interchangeably. We do not anticipate material price fluctuations or changes in availability in these raw materials in the near future, but can provide no assurances in that regard.

Employees

At December 31, 2007, Igene had 18 full-time employees. Five full-time employees are in administration and/or marketing, while the remainder are engaged in research, process development and support of manufacturing activities. Fourteen employees are based in the U.S, and four are based in Chile. Igene also utilizes various consultants on an as-needed or short-term basis.

None of Igene's employees are represented by a labor union and Igene has experienced no work stoppages. Igene believes its relations with its employees are satisfactory.

ITEM 2. DESCRIPTION OF PROPERTY

Igene leases approximately 8,500 square feet of space in the Oakland Ridge Industrial Park located at 9110 Red Branch Road, Columbia, Maryland. Igene occupies the space under a lease extension expiring on January 31, 2011. The approximate current annual rental expense is $126,000. Approximately 2,000 square feet of this space is used for executive and administrative offices and approximately 2,500 feet is used for research and development activities. The remaining 4,000 square feet of space is used for Igene's intermediate-stage or scale-up pilot plant facility.

Igene leases approximately 220 square feet of office space in Puerto Varas, Chile to conduct marketing and technical support activities by its full-time technical representatives. This lease renews annually in December of each year unless terminated by prior notice. Igene also leases warehouse space on a month-to-month basis as needed for product storage in Chile.

Igene currently owns or leases sufficient equipment and facilities for its research operations and all of this equipment is in satisfactory condition and is adequately insured. There are no current plans for improvement of this property. If demand for Igene's product continues to increase, Igene plans to lease additional warehouse space as needed in Chile.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which Igene is a party or to which any of Igene's properties are subject; nor are there material proceedings known to be contemplated by any governmental authority; nor are there material proceedings known to Igene, pending or contemplated, in which any of Igene's directors, officers, affiliates or any principal security holders, or any associate of any of the foregoing, is a party or has an interest adverse to us, except as set forth below.

In connection with the issuance of convertible notes by Igene in 2001 to each of NorInnova AS (formerly Forskningsparken I Tromsø AS), Knut Gjernes, Magne Russ Simenson and Nord Invest AS (collectively, the "note holders"), which convertible notes matured in November 2004, the note holders filed a compliant against Igene in Circuit Court of Howard County, Maryland on November 29, 2006 seeking payment of all outstanding amounts due under the convertible notes. On February 23, 2007, Igene, paid an aggregate amount of $762,638 to the note holders as settlement of all claims related to the convertible notes. The complaint was dismissed with prejudice on March 6, 2007.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND SMALL BUSINESS ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock

Commencing on or about June 12, 1989, Igene's common stock began trading on the over-the-counter market on a limited basis and is quoted on the National Quotation Bureau's OTC "bulletin board". The following table shows, by calendar quarter, the range of representative bid prices for Igene's common stock for 2007 and 2006.

	Calendar Quarter	High	Low
2007:	First Quarter	$ .0250	$ .0200
	Second Quarter	$ .0500	$ .0200
	Third Quarter	$ .0350	$ .0200
	Fourth Quarter	$ .0230	$ .0100
2006:	First Quarter	$ .1200	$ .0400
	Second Quarter	$ .1200	$ .0360
	Third Quarter	$ .0600	$ .0250
	Fourth Quarter	$ .0420	$ .0090

Igene obtained the above information through Pink Sheets, LLC, a national quotation bureau. Such quotations reflect inter-dealer prices without retail mark-up, mark-down, or commission, and may not represent actual transactions. The above quotations do not reflect the "asking price" quotations of the stock.

The approximate number of record holders of Igene's common stock as of April 11, 2008 was 250. As of April 11, 2008, the high bid and low offer prices for the common stock, as shown on the "over-the-counter bulletin board" were $.020 and $.015, respectively.

Dividend Policy

When and if funds are legally available for such payment under statutory restrictions, Igene may pay annual cumulative dividends on the preferred stock of $.64 per share on a quarterly basis. During 1988, Igene declared and paid a cash dividend of $.16 per share on its preferred stock. In December 1988, Igene suspended payment of the quarterly dividend of $.16 per share of preferred stock. No dividends have been declared or paid since 1988. Any resumption of dividend payments on preferred stock would require significant improvement in cash flow. Preferred stock dividends are payable when and if declared by Igene's board. Unpaid dividends accumulate for future payment or addition to the liquidation preference and redemption price of the preferred stock. As of December 31, 2007, total dividends in arrears on Igene's preferred stock equaled $137,171 (or $12.32 per share) on Igene’s Series A Preferred Stock and are included in the carrying value of the Series A Preferred Stock.

Dividends on common stock are currently prohibited because of the preferential rights of holders of preferred stock. Igene has paid no cash dividends on its common stock in the past and does not intend to declare or pay any dividends on its common stock in the foreseeable future.

8% Notes

Pursuant to the terms of an Indenture dated as of March 31, 1998, as amended (the “Indenture”) between Igene and American Stock Transfer & Trust Company, as Trustee (the “Trustee”), Igene issued and sold $5,000,000 of its 8% notes (the “8% Notes”). Concurrently with the issuance of the 8% Notes, Igene issued, pursuant to a Warrant Agreement by and between Igene and American Stock Transfer & Trust Company (the “Warrant Agent”) dated as of March 31, 1998, as amended (the “Warrant Agreement”), 50,000,000 warrants to purchase shares of Igene common stock for $.10 per share expiring March 31, 2008. The warrant purchase price under the Warrant Agreement was reduced to $.075 per share, and the maturity date of the 8% Notes was extended to March 31, 2006, by an amendment dated March 18, 2003 and approved by the requisite number of holders of the securities.

On March 28, 2006, Igene and American Stock Transfer & Trust Company, in its capacity as Trustee and Warrant Agent, entered into a Second Amendment to Indenture, Securities, Warrant Agreement and Warrant Certificates (the “Second Amendment”) that extended the maturity date of the 8% Notes to March 31, 2009, and reduced the warrant price under the Warrant Agreement from $.075 to $.056 per share.

Securities Authorized for Issuance Under Equity Incentive Plans

Equity Compensation Plan Information as of December 31, 2007

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders(1)	44,845,000	$.059	27,387,334
Equity compensation plans not approved by security holders	--	--	--
TOTAL	44,845,000	$.059	27,387,334

(1)	Includes Igene’s 2001 Stock Incentive Plan, 1997 Stock Option Plan and 1986 Stock Option Plan (collectively, the “Plans”).

Sales of Unregistered Securities

During the first quarter of 2006, Igene's manufacturing agent, Fermic, earned 545,569 shares of common stock as part of the manufacturing agreement between Igene and Fermic. Fermic earns 2,250 shares of common stock for each kilogram of pure astaxanthin produced and delivered, up to 20,000,000 shares, as part of the manufacturing agreement. The average price is based on the market value of the shares at the time the product was produced. The 545,569 shares were earned at an average price of $.056 per share for 2006. Through December 31, 2006, all 20,000,000 shares have been earned under the manufacturing agreement. Igene relied on the exemption from registration provided under Section 4(2) of the Securities Act of 1933, as amended, to issue the shares to Fermic. Igene relied on the representations and warranties of Fermic made in the manufacturing agreement in claiming the aforementioned exemption, including the representation that Fermic is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.

On September 30, 2006, Igene issued 1,000,000 shares of common stock to the Joint Venture's new Vice President of Manufacturing, Joseph Downs, as part of his agreement in accepting the position. The cost was expensed in the third quarter 2006 as payroll expense, at a cost of $0.05 per share, for a total expense of $50,000. The shares of common stock were issued pursuant to the exemption from registration provided under Section 4(2) of the Securities Act, as Mr. Downs is an executive of the Company.

On October 15, 2007, Mr. Monahan, Igene's Vice-President, Secretary and Director of Manufacturing, was issued 1,000,000 shares of Igene's common stock, valued at $21,000, in connection with his employment with, and services to, Igene. The shares of common stock were issued pursuant to the exemption from registration provided under Section 4(2) of the Securities Act, as Mr. Monahan is an executive officer of the Company.

Default Upon Senior Securities

As previously stated in Igene's quarterly report on Form 10-QSB for the third quarter of 2001 filed on November 13, 2001, Igene entered into Convertible Promissory Notes (the "Convertible Notes") with each of the following note holders for the following respective amounts (a) NorInnova AS (formerly Forskningsparken I Tromsø AS) for $106,500; (b) Knut Gjernes for $7,500; (c) Magne Russ Simenson for $378,000; and (d) Nord Invest AS for $313,000. Each of the Convertible Notes had a maturity date of November 1, 2004. On November 18, 2005, each of the holders of Convertible Notes provided Igene with written notice of default under each of the Convertible Notes.

On November 29, 2006, holders of the Convertible Notes filed a complaint against Igene in the Circuit Court of Howard County, Maryland seeking payment of all outstanding amounts due under the Convertible Notes. On February 23, 2007, Igene, paid $762,638 to the Convertible Note holders as settlement of all claims related to the Convertible Notes. The complaint was dismissed with prejudice on March 6, 2007.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Certain statements in this report set forth management's intentions, plans, beliefs, expectations or predictions of the future based on current facts and analyses. Actual results may differ materially from those indicated in such statements, due to a variety of factors including competitive pressures from other companies and within the biotech industry, economic conditions in Igene's primary markets, exchange rate fluctuations, reduced product demand, increased competition, unavailability of production capacity, unavailability of financing, government action, weather conditions and other uncertainties, including those detailed in "Risk Factors" that are included from time to time in Igene's Securities and Exchange Commission (the "SEC") filings.

Results of Operations

On March 19, 2003, Igene entered into a Joint Venture Agreement with Tate & Lyle Fermentation Products Ltd., a subsidiary of Tate & Lyle PLC ("Tate") pursuant to which Igene and Tate agreed to form a joint venture (the "Joint Venture") to manufacture, market and sell astaxanthin and derivative products throughout the world for all uses other than as a nutraceutical or otherwise for direct human consumption. Tate contributed $24,600,000 to the Joint Venture, which included certain of its facility assets previously used in citric acid production, while Igene transferred to the Joint Venture its technology relating to the production of astaxanthin and assets related thereto. The initial value of Igene's investment in the Joint Venture had been recorded at an amount equal to the book value of Igene's consideration contributed at the creation of the Joint Venture. As the cost of Igene's technology and intellectual property had been previously expensed and had a carrying amount of zero, the investment in the Joint Venture had been recorded with a book value of $316,869, which represents the unamortized production costs contributed to the Joint Venture. In addition, Igene also contributed $6,000 to the capital of the Joint Venture. Sales and cost of sales activity were recorded as part of the operations of the unconsolidated venture.

On October 31, 2007, Igene and Tate entered into a Separation Agreement pursuant to which the Joint Venture Agreement was terminated. As part of the Agreement, Igene sold to Tate its 50% interest in the Joint Venture and the Joint Venture sold to Igene its intellectual property, inventory and certain assets and lab equipment utilized by the Joint Venture as well as the Chilean sales subsidiary. The purchase price paid by Tate to Igene for its 50% interest was 50% of the Joint Venture's net working capital. The purchase price paid by Igene for the inventory was an amount equal to 50% of the Joint Venture's net working capital, the assumption of various liabilities and the current market price of the inventory, less specified amounts. In addition, Igene agreed to pay to Tate an amount equal to 5% of Igene's gross revenues from the sale of astaxanthin up to a maximum of $5,000,000. Tate agreed for a period of five years not to engage in the astaxanthin business.

As a result of the Joint Venture termination, Igene is now researching several alternatives for a potential new source of production. At the current pace, Igene expects to have inventories of existing product necessary to meet demand through the third quarter of 2008. Igene expects to be out of the market for an uncertain period of time following the third quarter of 2008 until a new source of production can be identified, commence operations and yield salable product.

As a result of the Joint Venture, the production, sales and marketing of astaxanthin through October 2007 took place through the unconsolidated Joint Venture. From inception on March 18, 2003 through the Joint Venture's final reporting on September 30, 2007, Igene's portion of the Joint Venture's net loss was $21,826,251. The loss was a result of a 50% interest in the following: Gross profit from inception was a negative $21,304,462 on sales of $38,380,752, less manufacturing cost of $59,685,214. Selling and general and administrative expenses were $16,542,813, and interest expense was $5,805,227. The resulting loss was $43,652,502. Igene's 50% portion of the Joint Venture loss was $21,826,251.

Because Igene accounted for its investment in the Joint Venture under the equity method of accounting, it would ordinarily recognize a loss representing its 50% equity interest in the loss of the Joint Venture. However, losses in the Joint Venture are recognized only to the extent of the Investment In and Advances To the Joint Venture. Losses in excess of this amount were suspended from recognition in the financial statements and were carried forward to offset Igene's share of the Joint Venture's future income, if any.

At September 30, 2007, prior to the recognition of its portion of the Joint Venture loss, Igene's investment in the Joint Venture consisted of $322,869 and its net advances to the Joint Venture amounted to $1,007,888, for a total of $1,330,757. Through December 31, 2006, Igene recognized $1,491,981 of the $15,922,400 loss, which existed as part of the Joint Venture. In the first six months of 2007, the balances of the funds due to Igene were reduced by a net repayment of $258,628, representing the June 30, 2007 balance of $1,233,353. For the three months ended September 30, 2007, Igene recognized a loss from the advance for that period of $97,404. This advance decreased the additional suspended loss of $1,293,769 for the quarter. The cumulative suspended loss at September 30, 2007 was $20,495,494 and it was sold as part of the termination of the Joint Venture.

Sales and other revenue

As part of the Joint Venture Agreement, all sales of AstaXin® prior to October 31, 2007 were recognized through the Joint Venture. Therefore, Igene recorded no sales during 2006 or in 2007 prior to October 31, 2007. During November and December of 2007, Igene recorded sales of $2,286,730. Sales had been limited in past years due to insufficient production quantity and are expected to decline to zero sometime during the third quarter of 2008 and remain negligible until a source of production can be identified and production begins. Igene is currently researching various alternatives for future production but has not yet engaged any new source of production. Management believes that this decision is of fundamental importance to Igene and continues to seek an appropriate production partner.

Cost of sales and gross profit

As with sales revenue, beginning July 2003 through October 31, 2007, cost of sales and gross profit were recognized through the Joint Venture. Therefore, Igene recorded no cost of sales or gross profit during 2006 or in 2007 prior to October 31, 2007. During November and December of 2007, Igene recorded cost of sales of $1,681,632. This resulted in a gross profit for the period of $605,098, or 26%. The increase in gross profit is due mainly to the discount in which the product was purchased at the conclusion of the Joint Venture. With the termination of the Joint Venture, there can be no assurance of the continued dependability of production. As a result, future cost of sales is expected to increase through the third quarter of 2008, whereupon sales, and cost of sales, are expected to be negligible until a source of production can be identified and commencement of production cannot be predicted and no assurances can be provided. Igene is currently researching various alternatives for future production.

Expenses reimbursement by Joint Venture

As part of the Joint Venture Agreement, costs incurred by Igene related to production, research and development, as well as those related to the marketing of AstaXin(R), and most of the general and administrative expenses, were considered costs of the Joint Venture and therefore were reimbursed by the Joint Venture. We do not expect to receive any further reimbursements following the October 2007 termination of the Joint Venture. Therefore, all expenses incurred by Igene are expected to be funded by cash flows from operations, to the extent available for such purposes. We do not expect cash flows from operations to continue beyond the third quarter of 2008 unless and until a source of production is identified and production begins. During 2007, prior to the termination of the Joint Venture, costs reimbursed by the Joint Venture totaled $1,576,701. The reimbursement covered $49,216 of marketing costs, $861,108 of research and development costs and $666,377 of general and administrative costs. For the year ended December 31, 2006, costs reimbursed by the Joint Venture totaled $1,660,519. Of the reimbursement received, approximately $848,000 covered research and development costs, $98,000 covered marketing and selling expenses and approximately $715,000 covered general and administrative costs.

Marketing and selling expenses

Marketing and selling expenses for 2007 were $158,104, an increase of $59,864, or 61%, from the marketing and selling expenses of $98,240 for 2006. As a result of the termination of the Joint Venture with Tate, Igene has reassumed the marketing and selling of salable product with a corresponding increase in selling expenses, and Igene will continue marketing of the product while reviewing and developing future sources of production. As a result it is expected this figure will increase as it is only representative of marketing efforts for less than one quarter of 2007. Prior to October 2007, all marketing and selling expenses incurred by Igene as part of the Joint Venture had been reimbursed by the Joint Venture. After October 2007, these expenses are expected to be funded by cash flows from operations, to the extent available for such purposes. However, we do not expect cash flows from operations to continue beyond the third quarter of 2008 unless and until a source of production is identified and production begins. Prior to the termination of the Joint Venture, costs reimbursed by the Joint Venture for marketing costs totaled $49,216 during 2007, and $98,000 for the year ended December 31, 2006.

Research, development and pilot plant expenses

Research, development and pilot plant expenses for 2007 and 2006 were $983,610 and $847,598, respectively, reflecting an increase of $136,012 or 16%. Costs are expected to be maintained at this level to support increasing the efficiency of the manufacturing process through experimentation in Igene's pilot plant, undertaken in an attempt to develop higher yielding strains of yeast and other improvements in Igene's AstaXin® technology. Igene is hoping this will lead to a reduced cost for salable product marketed by Igene when production resumes. However, no assurances can be made in that regard. Prior to October of 2007, all research and development expenses incurred by Igene as part of the Joint Venture had been reimbursed by the Joint Venture. After October 2007 these expenses are expected to be funded by cash flows from operations, to the extent available for such purposes. However, we do not expect cash flows from operations to continue beyond the third quarter of 2008 unless and until a source of production is identified and production begins. Prior to the termination of the Joint Venture, costs reimbursed by the Joint Venture related to research and development totaled $861,108 during 2007, and $848,000 for the year ended December 31, 2006.

General and administrative expenses

General and administrative expenses for 2007 decreased by $49,086, or 5%, from 2006 (from $1,022,051 to $972,965). These costs are expected to remain at the current 2007 level. Prior to October 2007, all general and administrative expenses incurred related to research and sales of product by Igene as part of the Joint Venture, had been reimbursed by the Joint Venture. After October 2007 these expenses are expected to be funded by cash flows from operations, to the extent available for such purposes. However, we do not expect cash flows from operations to continue beyond the third quarter of 2008 unless and until a source of production is identified and production begins. Prior to the termination of the Joint Venture, costs reimbursed by the Joint Venture related to general and administrative expenses totaled $666,377 during 2007 and $715,000 for the year ended December 31, 2006.

Interest expense (net of interest income)

Interest expense for 2007 and 2006 was $2,160,638 and $2,029,928 respectively, an increase of $130,710 or 6%. This interest expense (net of interest income) was composed of interest on Igene's long term financing from its directors and other stockholders and interest on Igene's subordinated and convertible debentures, as well as amortization of discount on Igene's notes and debentures of $1,406,780 for 2007 and $1,276,137 for 2006. The expense recorded for 2007 and 2006 was reduced by interest income of $50,581 and $77,982 respectively.

Gain on Disposal

During 2007, Igene sold equipment it had determined would not be of use in future operations and recorded a gain on disposal of $5,692. This is a onetime occurrence.

Net loss and basic and diluted net loss per common share

As a result of the foregoing results of operations, Igene reported a net loss of $1,899,073 for 2007 and a net loss of $2,431,910 for 2006. This resulted in a net loss of $.02 per basic common share for 2007 based on a weighted average of common stock outstanding of 109,679,538. As of December 31, 2007, potentially dilutive shares totaled 378,227,265, and were not considered in the computation as the result of the loss as the effect would be anti-dilutive. For the fiscal year 2006, the result was a net loss per basic and diluted common share of $.02 based on a weighted average of common stock outstanding of 108,387,454.

Financial Position

During 2007 and 2006, the following also affected Igene's financial position:

- Increases in accounts payable and accrued expenses of $3,569,050, and a decrease in inventory of $1,814,157 were sources of cash. This allowed for increases in accounts receivable of $3,698,884.

- During 2006, decreases in accounts receivable and prepaid expenses and other assets of $14,619 and $27,419, respectively, and increases in accounts payable and accrued expenses of $899,534 were sources of cash.

Since December 1988, as part of an overall effort to contain costs and conserve working capital, Igene suspended payment of the quarterly dividend on its preferred stock. Resumption of the dividend will require significant improvements in cash flow. Unpaid dividends cumulate for future payment or addition to the liquidation preference or redemption value of the preferred stock. As of December 31, 2007, total dividends in arrears on Igene's Series A preferred stock equaled $137,171 (or $12.32 per share) and are included in the carrying value of the preferred stock.

Liquidity and Capital Resources

Historically, Igene has been funded primarily by equity contributions and loans from directors and stockholders. As of December 31, 2007, Igene had working capital of $3,940,737, and cash and cash equivalents of $1,026,350.

Cash provided by operating activities in 2007 was $1,202,644 as compared to cash provided of $100 in 2006.

Cash used by investing activities in 2007 was $255,080 as compared to $109,147 used by investing activities in 2006.

Cash provided by financing activities was $57,000 in 2007 as compared to cash provided by financing activities of $11,088 during 2006.

Over the next twelve months, Igene believes it will need additional working capital. Part of this funding is expected to be received from sales of AstaXin®, resulting in increased cash through the third quarter of 2008. Thereafter sales are expected to decline to zero and remain negligible until a source of production is identified and production begins. There will be additional delay between the commencement of production and the receipt of proceeds from any sale of such product. However, there can be no assurance that projected cash from sales, or additional funding, will be sufficient for Igene to fund its continued operations.

Igene does not believe that inflation had a significant impact on its operations during 2007 and 2006.

Off-Balance Sheet Arrangements

Igene has no off-balance sheet arrangements that are reasonably likely to have a current or future effect on its financial position, revenues, results of operations, liquidity or capital expenditures.

Critical Accounting Policies

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States (or "GAAP") requires management to make judgments, assumptions and estimates that affect the amounts reported in our financial statements and accompanying notes. Actual results could differ materially from those estimates. The following are critical accounting policies important to our financial condition and results of operations presented in the financial statements and require management to make judgments and estimates that are inherently uncertain:

The inventories are stated at the lower of cost or market. Cost is determined using a weighted-average approach, which approximates the first-in first-out method. If the cost of the inventories exceeds their expected market value, provisions are recorded for the difference between the cost and the market value. Inventories consist of currently marketed products.

Revenue from product sales are recognized when there is persuasive evidence that an arrangement exists, delivery has occurred, the price is fixed and determinable, and collectibility is reasonably assured. Allowances are established for estimated uncollectible amounts, product returns and discounts.

The Joint Venture was accounted for under the equity method of accounting as Igene had a 50% ownership interest.

Igene did not recognize the loss of the Joint Venture beyond the investment and advances to the Joint Venture. This excess loss was sold as part of the termination of the Joint Venture.

ITEM 7. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements follow Part III of this Annual Report on Form 10-KSB and are hereby incorporated by reference.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURE

As of January 11, 2008, Igene dismissed J.H. Cohn LLP ("Cohn") as its independent registered public accounting firm as approved by the Audit Committee of the Board of Directors. Igene had appointed Cohn as its registered public accounting firm in May 2007 after Igene's then-current registered public accounting firm combined its business with Cohn and thereafter no longer existed as a separate accounting firm.

The audit report issued by Cohn on the consolidated financial statements of Igene as of and for the years ended December 31, 2006 and 2005, included in Igene's amended annual report on Form 10-KSB/A filed on December 21, 2007, did not contain an adverse opinion or a disclaimer of opinion, and was not qualified or modified, as to uncertainty, audit scope or accounting principles, except as follows:

> Cohn's report contains an explanatory paragraph. The paragraph states that the Company has suffered recurring losses from operations since inception and has a working capital deficiency that raises substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of that uncertainty.

During the years ended December 31, 2006 and 2005 and the interim period through January 11, 2008, the date of their dismissal, there have been no disagreements between Igene and Cohn on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Cohn, would have caused Cohn to make reference to the subject matter thereof in its report on Igene's consolidated financial statements for such periods other than as described below.

There was a disagreement related to Igene's initial accounting for warrants issued in connection with certain debt that arose in connection with Cohn's review of Igene's quarterly report on Form 10-QSB for the quarterly period ended June 30, 2007. The accounting treatment was discussed with the Audit Committee of the Board of Directors and resolved to the satisfaction of Cohn. As a result, Igene restated the financial statements included in its annual report on Form 10-KSB for the year ended December 31, 2006, and the Form 10-QSB for the three months ended March 31, 2007. Igene has authorized Cohn to respond fully to the inquiries of Igene's new registered public accounting firm, McElravy, Kinchen &Associates, P.C. ("McElravy") if any, concerning the matter.

During the years ended December 31, 2006 and 2005 and the interim period through January 11, 2008, Cohn did not advise Igene of any reportable event under Item 304(a)(1)(v) of regulation S-K other than as follows: In connection with their audit of Igene's consolidated financial statements for the years ended December 31, 2006 and 2005, Cohn advised Igene's management and the Audit Committee of the Board of Directors of Igene that Igene did not have the internal controls necessary for the non-routine recording of warrants issued in connection with certain of our debt obligations.

Igene appointed McElravy as its new independent registered public accounting firm effective as of January 15, 2008. The selection of McElravy was approved by the Audit Committee of the Board of Directors of Igene on January 15, 2008.

ITEM 8A(T). CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act (defined below)). Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. To address the material weaknesses, we performed additional analysis and other post-closing procedures in an effort to ensure our consolidated financial statements included in this annual report have been prepared in accordance with GAAP. Accordingly, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2007. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. We have identified the following material weaknesses.

1. As of December 31, 2007, we did not maintain effective controls over the control environment. Specifically, we have not formally adopted a written code of business conduct and ethics that governs the Company's employees, officers and directors. Additionally, we have not developed and effectively communicated to our employees its accounting policies and procedures. This has resulted in inconsistent practices. Further, the Board of Directors does not currently have any independent members and no director qualifies as an independent audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-B. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.

2. As of December 31, 2007, we did not maintain effective controls over financial statement disclosure. Specifically, controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements. Accordingly, management has determined that this control deficiency constitutes a material weakness.

3. As of December 31, 2007, we did not maintain effective controls over equity transactions. Specifically, controls were not designed and in place to ensure that equity transactions were properly reflected. Accordingly, management has determined that this control deficiency constitutes a material weakness.

Because of these material weaknesses, management has concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2007, based on the criteria established in "Internal Control-Integrated Framework" issued by the COSO.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting

No change in the Company's internal control over financial reporting occurred during the quarter ended December 31, 2007, that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 8B. OTHER INFORMATION

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, CONTROL PERSONS AND CORPORATE GOVERNANCE; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Igene's directors are elected annually by the stockholders of Igene; however, no annual meeting of stockholders was held in 2007. The directors, executive officers and key employees of Igene as of December 31, 2007 are as follows:

Name	Age	Position with Igene
Michael G. Kimelman	69	Chairman of the Board of Directors[1]
Thomas L. Kempner	80	Vice Chairman of the Board of Directors[2]
Stephen F. Hiu	51	Director, President, Chief Technical Officer, and Director of Research and Development
Patrick F. Monahan	57	Director, Vice-President, Secretary, and Director of Manufacturing
Sidney R. Knafel	77	Director[2]
Edward J. Weisberger	43	Chief Financial Officer

[1] Member of the Audit Committee of the Board of Directors
[2] Member of the Finance Committee of the Board of Directors

Each of our directors was elected for a one-year term at Igene's most recent annual meeting, held in July of 2006, and because no annual stockholder meeting was held in 2007, is currently holding-over from his prior term. Our officers serve at the discretion of the Board of Directors and until their respective successors are elected and qualified.

MICHAEL G. KIMELMAN has served as a director of Igene and as Chairman of the Board of Directors since 1991. At that time and through the present, he has been a founder and member of Kimelman & Baird, LLC. Mr. Kimelman also serves on the Board and the Executive Committee of the Hambletonian Society.

THOMAS L. KEMPNER is Vice Chairman of the Board of Directors and has been a director of Igene since its inception in 1981. He also has been Chairman and Chief Executive Officer of Loeb Partners Corporation, investment bankers, New York, and its predecessors since 1978. Mr. Kempner is currently a director of CCC Information Services Group, Inc., Dyax Corporation, Fuel Cell Energy, Inc., Insight Communications Co., Inc., and Intermagnetics General Corp and Intersections, Inc. He is also a director emeritus of Northwest Airlines, Inc.

STEPHEN F. HIU has served as Chief Technical Officer since 2002, and has served as President and Treasurer of Igene since 1999. Mr. Hiu was elected a director in August 1990 and he has been the Director of Research and Development since January 1989 and, prior thereto, was Senior Scientist since December 1985, when he joined Igene. Mr. Hiu was a post-doctoral Research Associate at the Virginia Polytechnic Institute and State University, Blacksburg, Virginia, from January 1984 until December 1985. Dr. Hiu holds a Ph.D. degree in microbiology from Oregon State University and a B.S. degree in biological sciences from the University of California, Irvine.

PATRICK F. MONAHAN has served as Vice-President since 2002, and as Director of Manufacturing and as a director of Igene since 1991. Mr. Monahan has also served as Secretary of Igene since September 1998 and has managed Igene's fermentation pilot plant since 1982. He received an Associate of Arts degree in biology from Allegheny Community College and a B.S. degree in biology with a minor in Chemistry from Frostburg State College, Frostburg, Maryland.

SIDNEY R. KNAFEL has served as a director of Igene since 1982. He has also been Managing Partner of SRK Management Company, a private investment company located in New York City, since 1981 and has served as Chairman of Insight Communications, Inc. since 1985. Mr. Knafel is also currently a director of General American Investors Company, Inc. as well as a number of private companies.

EDWARD J. WEISBERGER has served as Chief Financial Officer of Igene since 2001. He is a CPA with multiple years of financial experience in the public and private sectors with both smaller and Fortune 100 companies.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on a review of the Section 16(a) reports filed with the SEC and written representations provided to Igene by its officers and directors, and holders of more than ten percent of any class Igene's registered securities, Igene believes that during fiscal year 2007, all filing requirements applicable to its reporting officers, directors and greater than ten percent beneficial owners were timely satisfied except one delinquent Form 4 filing by Thomas L. Kempner resulting in four transactions being untimely reported, and one delinquent Form 4 filing by Michael Kimelman in transactions being untimely reported.

Code of Ethics

Due to the size of Igene and its current operations, Igene has not adopted a code of ethics for its principal executive and financial officers. Igene's board of directors will revisit this issue in the future to determine if adoption of a code of ethics is appropriate. In the meantime, Igene's management intends to promote honest and ethical conduct, full and fair disclosure in its reports to the SEC, and compliance with applicable governmental laws and regulations.

Corporate Governance

The Audit Committee of the Board of Directors is comprised of one member: Michael G. Kimelman. Mr. Kimelman is an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-B. Under the Nasdaq Marketplace Rules, in addition to satisfying the independent director requirements under Rule 4200 of such rules, audit committee members must also meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Exchange Act (subject to the exemptions provided in Rule 10A-3(c)): they must not accept any consulting, advisory, or other compensatory fee from the company other than for board service, and they must not be an affiliated person of the company. Mr. Kimelman is not considered independent under the audit committee standards of the Nasdaq Marketplace Rules.

ITEM 10. EXECUTIVE COMPENSATION

The following tables show the compensation paid or accrued by Igene to each of the three officers (the "named executive officers"). During 2007, no directors were compensated for their Board or Committee activities. Other than the 1986, 1997 and 2001 Stock Incentive Plans and the Simple Retirement Plan described below, Igene has no profit sharing or incentive compensation plans.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)(1)	Stock Awards ($)	All Other Compensation ($)(2)	Total ($)
Stephen Hiu President	2007	$ 153,886	$ 0	$ 6,396	$ 160,282
	2006	142,580	0	6,575	149,155

Name and Principal Position	Year	Salary ($)(1)	Stock Awards ($)	All Other Compensation ($)(2)	Total ($)
Patrick Monahan Vice-President,	2007	137,914	10,000 (3)	5,968	153,882
Secretary and Director of Manufacturing	2006	129,965	0	5,838	135,803
Edward Weisberger Chief Financial	2007	132,793	0	5,712	138,505
Officer	2006	125,817	0	5,750	131,567

(1) Gross Salary of the named executive officers listed.

(2) Includes annual taxable compensation for health insurance premium and employer match of 401(k).

(3) Includes issuance of 1,000,000 shares of Igene common stock at $.01 per share value based on current stock price in addition to restriction and blockage discounts.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning the outstanding equity awards of each of the named executive officers as of December 31, 2007. All options reflected on the table are fully vested.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Exercise Price ($/Share)	Option Expiration Date
Stephen Hiu	2,000,000	$ .10	04/16/2008
	2,000,000	.05	01/19/2010
	45,000	.065	01/02/2011
	4,800,000	.025	08/13/2012
	5,000,000	.10	06/25/2014
Patrick Monahan	1,050,000	.10	04/16/2008
	1,317,500	.05	01/19/2010
	2,900,000	.025	08/13/2012
	2,000,000	.10	06/25/2014
Edward Weisberger	2,500,000	.05	12/01/2011
	500,000	.10	06/25/2014
	1,500,000	.027	12/09/2015

Retirement Plans

Effective February 1, 2004, Igene discontinued use of the Simple Retirement Plan and began use of a 401(k) savings/retirement plan, or 401(k) Plan. The 401(k) Plan permits Igene's eligible employees to defer annual compensation, subject to limitations imposed by the Internal Revenue Code. All employees that have been employed for six months are eligible for the plan. The plan permits elective contributions by Igene's eligible employees based under the Internal Revenue Code, which are immediately vested and non-forfeitable upon contribution to the 401(k) Plan. Effective January 1, 2004, Igene made an elective contribution, subject to limitations, of 4% of each eligible employee's compensation for each year. Igene's contributions to the plan for 2007 and 2006 were $28,392 and $25,996, respectively, which is expensed in the statement of operations.

Life Insurance Plans

Igene provides life insurance benefits to its employees that in the event of an employee's death would pay to the employee's beneficiary two times the employee's annual salary, up to $150,000.

Severance Benefit

In cases where a termination of employment is initiated by Igene for economic reasons (e.g. reduction in force, reorganization or position elimination), it is Igene's policy that the terminated employee will receive one week of severance at base pay for each year of service, up to a maximum of 12 weeks.

Compensation of Directors

None of Igene's directors were compensated for their services during fiscal 2007. Directors Hiu and Monahan received compensation in their capacities as officers of Igene, as reported in the Summary Compensation Table above.

Stock Option Plans

Igene currently maintains three stock incentive plans. Igene's 2001 Stock Incentive Plan (the "2001 Plan"), which was approved by Igene's stockholders on June 12, 2001, authorized for issuance restricted stock and options to purchase up to 55,000,000 shares of common stock. Igene's 1997 Stock Option Plan (the "1997 Plan"), which was approved by Igene's stockholders on November 17, 1997, authorized for issuance options to purchase up to 20,000,000 shares of common stock. Igene's 1986 Stock Option Plan (the "1986 Plan"), which was approved by Igene's stockholders on May 5, 1987, authorized for issuance options to purchase up to 97,000 shares of common stock (the 2001 Plan, the 1997 Plan and the 1986 Plan are collectively referred to herein as the "Plans"). A committee of the Board of Directors administers the Plans.

The purpose of the Plans is to further the long-term stability and financial success of Igene by attracting and retaining employees and consultants through the use of stock-based incentives, and to provide non-employee members of the Board of Directors with an additional incentive to promote the success of Igene. It is believed that ownership of Igene common stock will stimulate the efforts of those employees, consultants and non-employee directors upon whose judgment and interests Igene is and will be largely dependent upon the successful conduct of its business. It is also believed that incentive awards granted to employees under these Plans will strengthen their desire to remain employed with Igene and will further the identification of employees' interests with those of Igene.

Options are exercisable at such rates and times as may be fixed by the committee. Options also become exercisable in full upon (i) the holder's retirement on or after his 65th birthday, (ii) the disability or death of the holder, or (iii) under other circumstances as determined by the committee. Options generally terminate on the tenth business day following cessation of service as an employee, director, consultant or independent contractor.

Options may be exercised by payment in full of the option price in cash or by check, or by delivery of previously-owned shares of common stock having a total fair market value on the date of exercise equal to the option price, or by such other methods as permitted by the committee.

The Plans contain anti-dilution provisions in the event of certain corporate transactions.

The Board of Directors may at any time withdraw from, or amend, the Plans and any options not heretofore granted. Stockholder approval is required to (i) increase the number of shares issuable under the Plans, (ii) increase the number of options which may be granted to any individual during a year, (iii) or change the class of persons to whom options may be granted. No options shall be granted under the 2001 Plan after April 30, 2011. Igene maintains the 1997 Plan and the 1986 Plan, but additional options may no longer be granted under those plans.

Options to acquire 47,612,666 shares of common stock have been granted under Plans and 44,845,000 options are still outstanding under the Plans as of December 31, 2007. No options or restricted awards were granted during 2007 and 2006.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information as of March 17, 2008 with respect to beneficial ownership of shares of Igene's outstanding common stock by (i) each person known to Igene to own or beneficially own more than five percent of its common stock or preferred stock, (ii) each director of Igene, and (iii) each named executive officer, and (iv) all directors and executive officers as a group. On March 17, 2008 there were 110,337,072 shares of common stock issued and outstanding. Shares of common stock subject to options or warrants currently exercisable or exercisable within 60 days of March 17, 2008 are deemed outstanding for computing the share ownership and percentage of the person holding such options and warrants, but are not deemed outstanding for computing the percentage of any other person. No shares of preferred stock are beneficially owned by the persons listed below.

	Common Stock	
Name and Address	Number of Shares	Percent *
Directors and officers		
Stephen F. Hiu 9110 Red Branch Road Columbia, MD 21045	14,993,633[1]	12.07
Thomas L. Kempner 61 Broadway New York, NY 10006	147,804,528[2]	61.53
Michael G. Kimelman 100 Park Avenue New York, NY 10017	50,197,723[3]	31.52
Sidney R. Knafel 810 Seventh Avenue New York, NY 10019	145,777,554[4]	61.27
Patrick F. Monahan 9110 Red Branch Road Columbia, MD 21045	9,315,033[5]	7.92
Edward J. Weisberger 9110 Red Branch Road Columbia, MD 21045	4,570,000[6]	3.98
All Directors and Officers as a Group (6 persons)	372,658,471[7]	84.25
Others		
Joseph C. Abeles 220 E. 42nd Street New York, NY 10017	17,954,407[8]	14.23
Fraydun Manocherian 3 New York Plaza New York, NY 10004	7,905,135[9]	7.13
Fermic Col. San Nicolas Tolentino Iztapalapa 09850 Mexico, D.F.	20,000,000[10]	18.13

1. Includes 1,148,633 shares held directly or indirectly by Dr. Hiu and 13,845,000 shares issuable upon exercise of options held by Dr. Hiu that are currently exercisable.

2. Includes 17,933,110 shares held directly or indirectly by Mr. Kempner and 536,920 shares issuable upon exercise of warrants held by Mr. Kempner that are currently exercisable. Also includes 43,800,135 shares issuable upon conversion of notes issued by Igene and held by Mr. Kempner. Also includes (i) 41,582,728 shares issuable upon exercise of warrants held by a trust under which Mr. Kempner is one of two trustees and the sole beneficiary, which are currently exercisable (ii) 41,561,125 shares issuable upon exercise of warrants held by a trust under which Mr. Kempner is one of two trustees and one of his brothers is the sole beneficiary, which are currently exercisable (iii) 2,079,411 shares issuable upon exercise of warrants held by trusts under which Mr. Kempner is one of two trustees and is a one-third beneficiary that are currently exercisable, and (iv) 81,120 shares and 229,979 shares issuable upon exercise of warrants held by trusts under which Mr. Kempner is executer and is a one-third beneficiary that are currently exercisable.

3. Includes 1,264,360 shares held directly or indirectly by Mr. Kimelman, and 14,000,000 shares issuable upon exercise of options, 17,680,341 shares issuable upon the conversion of notes issued by Igene, and 17,253,022 shares issuable upon exercise of warrants, all of which are held by Mr. Kimelman and are currently exercisable.

4. Includes 18,190,551 shares held directly or indirectly by Mr. Knafel, 42,619,509 shares issuable upon the conversion of notes issued by Igene and held by Mr. Knafel and 84,967,494 shares issuable upon the exercise of warrants owned or beneficially owned by Mr. Knafel that are currently exercisable.

5. Includes 2,047,533 shares held directly or indirectly by Mr. Monahan and 7,267,500 shares issuable upon the exercise of options held by Mr. Monahan that are currently exercisable.

6. Includes 70,000 shares held directly by Mr. Weisberger and 4,500,000 shares issuable upon exercise of options that are currently exercisable.

7. Includes 42,863,601 shares of common stock, 39,612,500 shares issuable upon exercise of options that are currently exercisable, 110,823,687 shares issuable upon the conversion of notes issued by Igene and 197,313,091 shares issuable upon the exercise of warrants that are currently exercisable.

8. Includes the following: 2,128,294 shares held directly or indirectly by Mr. Abeles, 6,723,701 shares issuable upon the conversion of $311,663 of long-term notes issued by Igene, and 9,102,412 shares issuable upon exercise of warrants held by Mr. Abeles that are currently exercisable.

9. Includes 7,375,935 shares of common stock owned directly or indirectly by Mr. Manocherian and 529,200 shares issuable upon the exercise of warrants owned directly or indirectly by Mr. Manocherian that are currently exercisable.

10. Includes 20,000,000 shares of common stock.

Equity Incentive Plans

The information set forth under the caption “Securities Authorized for Issuance Under Equity Incentive Plans” under Item 5 of this Annual Report on Form 10-KSB is hereby incorporated by reference.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions

In order to provide Igene with sufficient funds to settle the litigation with the holders of the convertible notes issued by Igene in 2001, on February 15, 2007, Igene issued and sold an aggregate principal amount of $762,000 in 5% convertible debentures, $381,000 to each of Thomas Kempner and Sidney Knafel, directors of Igene. These debentures are convertible into shares of Igene’s common stock at $0.02 per share based on the offer made to the original debenture holders as the market price of Igene’s shares as of February 2007. As of April 15, 2008 these debentures have accrued $44,450 of interest, and no payments have been made.

In order to provide Igene with working capital as the inventory received from the Joint Venture is sold and the receivables are collected, on December 12, 2007, Igene issued and sold an aggregate principal amount of $300,000 in 8.5% secured notes, $150,000 to each of Thomas Kempner and Sidney Knafel. These notes are secured by the accounts receivable of Igene. As of April 12, 2008 these notes have accrued $8,500 of interest, and no payments have been made.

Director Independence

Since Igene is not a listed company, it has determined to apply rule 4200(a)(15) of the Nasdaq Marketplace Rules to determine independence of its directors. Based on such rule, Igene has determined that none of its directors are deemed to be independent and that, accordingly, its sole member of its audit committee, Michael G. Kimelman, is not independent.

ITEM 13. EXHIBITS

Exhibits filed herewith or incorporated by reference herein are set forth in the following table prepared in accordance with Item 601 of Regulations S-B.

EXHIBIT NO.	DESCRIPTION
3.1	Articles of Incorporation of the Registrant, as amended as of November 17, 1997, constituting Exhibit 3.1 to the Registration Statement No. 333-41581 on Form SB-2 filed with the SEC on December 5, 1997, are hereby incorporated by reference.
3.2	Articles of Amendment to Articles of Incorporation of the Registrant, constituting Exhibit 3.1(b) to the Registration Statement No. 333-76616 on Form S-8 filed with the SEC on January 11, 2002, are hereby incorporated by reference.
3.3	By-Laws of the Registrant, constituting Exhibit 3.2 to the Registration Statement No. 33-5441 on Form S-1 filed with the SEC on May 6, 1986, are hereby incorporated by reference.
4.1	Form of Variable Rate Convertible Subordinated Debenture Due 2002 (Class A), constituting Exhibit 4.4 to the Registration Statement No. 33-5441 on Form S-1 filed with the SEC on May 6, 1986, is hereby incorporated by reference.
4.2	Form of Indenture by and between the Registrant and American Stock Transfer and Trust Company, as Trustee, dated as of March 31, 1998, constituting Exhibit 4.2 to the Registration Statement No. 333-41581 on Form SB-2/A filed with the SEC on January 23, 1998, is hereby incorporated by reference.
4.3	Warrant Agreement by and between the Registrant and American Stock Transfer and Trust Company, as Warrant Agent, dated as of March 31, 1998, constituting Exhibit 4.3 to the Registration Statement No. 333-41581 on Form SB-2/A filed with the SEC on January 23, 1998, is hereby incorporated by reference.
4.4	First Amendment to Indenture, Securities, Warrant Agreement and Warrant Certificates by and between Registrant and American Stock Transfer and Trust Company dated as of March 18, 2003, constituting Exhibit 10.11 to the Quarterly Report on Form 10-QSB filed with the SEC on May 14, 2003, is hereby incorporated by reference.
4.5	Second Amendment to Indenture, Securities, Warrant Agreement and Warrant Certificates by and between Registrant and American Stock Transfer and Trust Company dated as of March 28, 2006, constituting Exhibit 4.5 to the Annual Report on Form 10-KSB filed with the SEC on April 13, 2006, is hereby incorporated by reference.
10.1	Form of Conversion and Exchange Agreement used in May 1988 in connection with the conversion and exchange by certain holders of shares of preferred stock for common stock and Warrants, constituting Exhibit 10.19 to the Registration Statement No. 33-5441 on Form S-1 filed with the SEC on May 6, 1986, is hereby incorporated by reference.
10.2	Preferred Stockholders' Waiver Agreement dated May 5, 1988, constituting Exhibit 10.3 to the Registration Statement No. 33-23266 on Form S-1 filed with the SEC on July 22, 1988, is hereby incorporated by reference.
10.3	Form of Agreement between the Registrant and Certain Investors in Preferred Stock dated September 30, 1987, constituting Exhibit 10.4 to the Registration Statement No. 33-23266 on Form S-1/A, is hereby incorporated by reference.
10.4	Agreement of Lease between Columbia Warehouse Limited Partnership and the Registrant effective December 15, 1995, constituting Exhibit 10.13 to the Annual Report on Form 10-KSB filed with the SEC on April 12, 1996, is hereby incorporated by reference.
10.5	First Amendment to Lease between the Registrant and Red Branch Center, LLC made September 13, 2000, constituting Exhibit 10.8 to the Annual Report on Form 10-KSB filed with the SEC on April 2, 2001, is hereby incorporated by reference.

10.6	Separation Agreement between the Registrant and Tate & Lyle Fermentation Products Ltd. dated as of October 31, 2007, constituting Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on November 6, 2007, is hereby incorporated by reference.
21.1	Subsidiaries*
31.1	Rule 13a-14(a) or 15d-14(a) Certification of the Registrant's principal executive officer.*
31.2	Rule 13a-14(a) or 15d-14(a) Certification of the Registrant's principal financial officer.*
32.1	Rule 13a-14(b) or 15d-14(b) Certification of the Registrant's principal executive officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Rule 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Rule 13a-14(b) or 15d-14(b) Certification of the Registrant's principal financial officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Rule 906 of the Sarbanes-Oxley Act of 2002.*

***Filed herewith**

ITEM 14. PRINCIPAL ACCOUNTANTS FEES AND SERVICES

REGISTERED PUBLIC ACCOUNTANTS

The accounting firm of McElravy, Kinchen & Assosicates, P.C. ("McElravy") has been engaged to audit the financial statements of Igene for the fiscal year 2008. McElravy served as Igene's registered public accountants to audit the financial statements for 2007. J.H. Cohn LLP originally served as the auditor in 2007 and served as Igene's registered public accountants to audit the restated financial statements in 2006 and 2005. Berenson LLP originally served as the auditor in 2006 and 2005; however, in May 2007, J.H. Cohn LLP acquired Berenson LLP in a transaction that was structured as an asset sale. Each of J.H. Cohn LLP and McElravy has advised Igene that neither the accounting firm nor any of its members of associates has any direct financial interest in or any connection with the Company other than as independent public auditors.

AUDIT FEES AND SERVICES

The following table shows the fees paid or accrued by the Company for the audit and other services provided by McElravy and J.H. Cohn LLP for fiscal year 2007, and by J. H. Cohn LLP for fiscal year 2006:

	FY 2007	FY 2006
Audit Fees	$ 33,000	$ 100,844
Audit-Related Fees	0	0
Tax Fees	0	5,000
All Other Fees	0	0
TOTAL	$ 33,000	$ 105,844

Audit services provided by McElravy and J.H. Cohn LLP for fiscal year 2007, and by J. H. Cohn LLP for fiscal year 2006 consisted of the audit of the consolidated financial statements of Igene and quarterly reviews of financial statements. "Tax Fees" include charges primarily related to tax return preparation and tax consulting services. In 2003, the SEC adopted a rule pursuant to the Federal Sarbanes-Oxley Act of 2002 that, except with respect to certain *de minimis* services discussed below, requires Audit Committee pre-approval of audit and non-audit services provided by Igene's independent auditors. All of the 2006 services described above were pre-approved by the Audit Committee pursuant to this SEC rule to the extent that rule was applicable during fiscal year 2006.

The Audit Committee's policy is to pre-approve all audit and permitted non-audit services, except that *de minimis* non-audit services, as defined in Section 10A(i)(1) of the Exchange Act, may be approved prior to the completion of the independent auditor's audit. The Audit Committee has reviewed summaries of the services provided and the related fees and has determined that the provision of non-audit services is compatible with maintaining the independence of Berenson LLP.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
IGENE Biotechnology, Inc.
Columbia, Maryland

We have audited the accompanying consolidated balance sheet of IGENE Biotechnology, Inc. as of December 31, 2007 and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements for the period January 1, 2006 through December 31, 2006, were audited by other auditors whose reports expressed unqualified opinions on those statements.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IGENE Biotechnology, Inc. as of December 31, 2007 and the results of its operations and cash flows for the periods described above in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 13 to the financial statements, the Company has suffered recurring losses from operations which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 13. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/S/ McElravy, Kinchen & Associates, P.C.

McElravy, Kinchen & Associates, P.C.

www.mkacpas.com
Houston, Texas

April 28, 2008

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Audit Committee and Stockholders
IGENE Biotechnology, Inc.

We have audited the accompanying consolidated statements of operations, stockholders' deficiency and cash flows of IGENE Biotechnology, Inc. and subsidiary for the year ended December 31, 2006. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operation and cash flows of IGENE Biotechnology, Inc. and subsidiary for the year ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 13 to the consolidated financial statements, the Company's recurring losses, and limited capitalization raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 13. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/S/ J. H. COHN LLP

J. H. COHN LLP

New York, New York
December 11, 2007

IGENE Biotechnology, Inc. and Subsidiary
Consolidated Balance Sheet
December 31, 2007

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,026,350
Accounts receivable	2,718,884
Inventory	8,059,777
Prepaid expenses and other current assets	38,351
TOTAL CURRENT ASSETS	11,843,362
Property and equipment, net	713,493
5 year non-compete	153,977
Customer contracts	233,658
Intellectual property	149,670
Other assets	5,125
TOTAL ASSETS	$ 13,099,285
LIABILITIES AND STOCKHOLDERS' DEFICIENCY	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 7,902,625
TOTAL CURRENT LIABILITIES	7,902,625
LONG-TERM DEBT	
Notes payable (Net of unamortized discount)	4,643,449
Convertible Debentures (Net of unamortized discount)	3,244,664
Contingent Liability on Joint Venture Separation	5,000,000
Accrued interest	6,442,076
REDEEMABLE PREFERRED STOCK	
Carrying amount of redeemable preferred stock, 8% cumulative, convertible, voting, series A, $.01 par value per share. Stated value $20.32 per share. Authorized 1,312,500 shares; issued and outstanding 11,134 shares. Redemption amount $226,243.	226,243
TOTAL LIABILITIES	27,459,057
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' DEFICIENCY	
Common stock -- $.01 par value per share. Authorized 750,000,000 shares; issued and outstanding 110,337,072 shares	1,103,371
Additional paid-in capital	33,276,687
Accumulated deficit	(48,739,830)
TOTAL STOCKHOLDERS' DEFICIENCY	(14,359,772)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	$ 13,099,285

The accompanying notes are an integral part of the consolidated financial statements.

IGENE Biotechnology, Inc. and Subsidiary
Consolidated Statements of Operations

	Years ended December 31, 2007	2006
REVENUE		
Sales	$ 2,286,730	$ ---
Cost of sales	1,681,632	---
GROSS PROFIT	605,098	---
EQUITY IN REPAID ADVANCES (LOSS) OF JOINT VENTURE	170,821	(109,147)
OPERATING EXPENSES		
Marketing and selling	158,104	98,240
Research, development and pilot plant	983,610	847,598
General and administrative	972,965	1,022,051
Less expenses reimbursed by Joint Venture	(1,576,701)	(1,660,519)
TOTAL OPERATING EXPENSES	537,978	307,370
OPERATING PROFIT (LOSS)	237,941	(416,517)
GAIN ON DISPOSAL	5,692	---
OTHER INCOME	17,932	14,535
INTEREST EXPENSE (net of interest income of $50,581 for 2007, $77,982 for 2006) (including amortization of debt discount of $1,406,780 for 2007, $1,276,137 for 2006)	(2,160,638)	(2,029,928)
NET GAIN (LOSS)	$ (1,899,073)	$ (2,431,910)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (0.02)	$ (0.02)
WEIGHTED AVERAGE SHARES OUTSTANDING	109,679,538	108,387,454

The accompanying notes are an integral part of the consolidated financial statements.

IGENE Biotechnology, Inc. and Subsidiary
Consolidated Statements of Stockholders' Deficiency
Years ended December 31, 2007 and 2006

	Common Stock # Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficiency
Balance at January 1, 2006	107,456,869	$ 1,074,569	$ 29,968,765	$(44,408,847)	$(13,365,513)
Conversion of redeemable preferred stock into common stock	14,750	148	141,452	---	141,600
Conversion of warrants	7,884	79	709	---	788
Shares issued to VP of Manufacturing	1,000,000	10,000	40,000	---	50,000
Additional paid-in capital as part of debt issuance	---	---	3,082,676	---	3,082,676
Shares issued for employee stock incentive program	312,000	3,120	7,180	---	10,300
Shares issued for manufacturing agreement	545,569	5,455	24,905	---	30,360
Net loss for 2006	---	---	---	(2,431,910)	(2,431,910)
Balance at December 31, 2006	109,337,072	$ 1,093,371	$ 33,265,687	$(46,840,757)	$(12,481,699)
Shares issued to Director of Manufacturing	1,000,000	10,000	11,000	---	21,000
Net loss for 2007	---	---	---	(1,899,073)	(1,899,073)
Balance at December 31, 2007	110,337,072	$ 1,103,371	$ 33,276,687	$(48,739,830)	$(14,359,772)

The accompanying notes are an integral part of the consolidated financial statements.

IGENE Biotechnology, Inc. and Subsidiary
Consolidated Statements of Cash Flows

	Years ended December 31, 2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (1,899,073)	$ (2,431,910)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of debt discount	1,406,780	1,276,137
Depreciation	12,438	16,488
Gain on disposal of equipment	(5,692)	---
Issuance of common stock for Director of Manufacturing	21,000	---
Issuance of common stock for VP of Manufacturing	---	50,000
Manufacturing cost paid in shares of common stock	---	30,360
Increase in preferred stock for cumulative dividend classified as interest	7,126	8,306
Equity in (repaid advances) loss of unconsolidated joint venture	107,821	109,147
Decrease (increase) in:		
Accounts receivable	(3,698,884)	14,619
Inventory	1,814,157	---
Prepaid expenses and other assets	(24,258)	27,419
Increase (decrease) in:		
Accounts payable and other accrued expenses	3,569,050	899,534
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,310,465	100
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash proceed from sale of property and equipment	20,000	---
Cash used for purchase of property and equipment	(275,080)	---
Recoupment of payment (advances) to joint venture	(107,821)	(109,147)
NET CASH USED IN INVESTING ACTIVITIES	(362,901)	(109,147)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible debentures	762,000	---
Repayment of convertible debentures	(705,000)	---
Proceeds from exercise of employee stock options	---	10,300
Repayment from exercise of warrants	---	788
NET CASH PROVIDED BY FINANCING ACTIVITIES	57,000	11,088
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,004,564	(97,959)
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR	21,786	119,745
CASH AND CASH EQUIVALENTS - END OF THE YEAR	$ 1,026,350	$ 21,786
SUPPLEMENTARY DISCLOSURE AND CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 57,637	$ 35,250
Cash paid during the year for income taxes	---	---
NON-CASH TRANSACTIONS		
Exchange of assets and liabilities of joint venture partner	$ 9,325,521	$ ---

The accompanying notes are an integral part of the consolidated financial statements.

IGENE Biotechnology, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years ended December 31, 2007 and 2006

(1) Summary of Significant Accounting Policies

Nature of Operations

Igene Biotechnology, Inc. ("Igene") was incorporated under the laws of the State of Maryland on October 27, 1981 as "Industrial Genetics, Inc." Igene changed its name to "IGI Biotechnology, Inc." on August 17, 1983 and to "Igene Biotechnology, Inc." on April 14, 1986. Igene is located in Columbia, Maryland and has an operational subsidiary in Chile and through February 2003 had a subsidiary in Norway. Igene was formed to develop, produce and market value-added specialty biochemical products. Igene is a supplier of natural astaxanthin, an essential nutrient in different feed applications and a source of pigment for coloring farmed salmon species. Igene is also venturing to supply astaxanthin as a nutraceutical ingredient. Igene is focused on fermentation technology, pharmacology, nutrition and health in its marketing of products and applications worldwide.

Igene has devoted its resources to the development of proprietary processes to convert selected agricultural raw materials or feedstocks into commercially useful and cost effective products for the food, feed, flavor and agrochemical industries. In developing these processes and products, Igene has relied on the expertise and skills of its in-house scientific staff and, for special projects, various consultants.

In an effort to develop a dependable source of production, on March 19, 2003, Tate & Lyle and Igene announced a 50:50 joint venture to produce AstaXin® for the aquaculture industry. Production utilized Tate & Lyle's fermentation capability together with the unique technology developed by Igene. Part of Tate & Lyle's existing Selby, England, citric acid facility was modified to include the production of 1,500 tons per annum of astaxanthin.

On October 31, 2007, the Joint Venture with Tate & Lyle was terminated. Igene is currently reviewing alternative sources for future production.

Principles of Consolidation

The accounts of our other wholly-owned subsidiary, Igene Chile, are included in the consolidation of these financial statements. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and cash equivalents

Igene considers cash equivalents to be short-term, highly liquid investments that have original maturities of less than 90 days. These include interest bearing money market accounts.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from the outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based upon its assessment of the current collection status of individual accounts. Delinquent amounts that are outstanding after management has conducted reasonable collection efforts, are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has determined no allowance was necessary as of December 31, 2007.

Research and development costs

For financial reporting purposes, research, development and pilot plant scale-up costs are charged to expense as incurred consistent with FASB statement number 2.

IGENE Biotechnology, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years ended December 31, 2007 and 2006

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization computed using the straight-line method. Premises and equipment are depreciated over the useful lives of the assets, which generally range from three to ten years for furniture, fixtures and equipment, three to five years for computer software and hardware. Leasehold improvements are amortized over the terms of the respective leases or the estimated useful lives of the improvements, whichever is shorter. The cost of major renewals and betterments are capitalized, while the costs of ordinary maintenance and repairs are expensed as incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally acceptable in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency Translation and Transactions

Since the day-to-day operations of Igene's foreign subsidiary in Chile are dependent on the economic environment of the parent's currency, the financial position and results of operations of Igene's foreign subsidiary are determined using Igene's reporting currency (U.S. dollars) as the functional currency. All exchange gains and losses from remeasurement of monetary assets and liabilities that are not denominated in U.S. dollars are recognized currently in income.

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and short-term debt approximate fair value because of the relatively short maturity of these instruments. Management believes the carrying amount of long-term debt approximates fair value because of similar current rates at which Igene could borrow funds with consistent remaining maturities.

Accounting for stock-based compensation

Effective January 1, 2006, Igene began recording compensation expense associated with stock options and other forms of equity compensation in accordance with Statement of Financial Accounting Standards (SFAS) 123R, “Share−Based Payment,” as interpreted by SEC Staff Accounting Bulletin No. 107. Prior to January 1, 2006, Igene had accounted for stock options according to the provisions of APB Opinion No. 25, “Accounting for Stock Issued to Employees,” and related interpretations, and therefore no related compensation expense was recorded for awards granted with no intrinsic value. Igene adopted the modified prospective transition method provided for under SFAS 123R, and, consequently, has not retroactively adjusted results from prior periods.

Stock issued to employees is recorded at the fair value of the shares granted based upon the closing market price of Igene’s stock at the measurement date and recognized as compensation expense over the applicable requisite service period. Warrants granted to non-employees are recorded at the estimated fair value of the options granted using the Black-Scholes pricing model and recognized as general and administrative expense over the applicable requisite service period.

Credit Risk

Igene does not require collateral from its customers with respect to accounts receivable but performs periodic credit evaluations of such customers' financial conditions. Igene determines any required allowance by considering a number of factors including lengths of time accounts receivable are past due and previous loss history. Igene provides reserves for accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Igene's cash may exceed FDIC protection levels at different points throughout the year; management believes the risk associated with this possible exposure is minimal. Igene was within FDIC protection limits at December 31, 2007.

Long-Lived Assets

Statement of Financial Accounting Standards (SFAS) 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" requires that long-lived assets, including certain identifiable intangibles, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the assets in question may not be recoverable.

Statement of Financial Accounting Standards (SFAS) 142 "Goodwill and Other Intangible Assets" provides that some intangible assets are not subject to periodic amortization, but are evaluated at least annually for impairments. After a review of the Company's historical cash flows it was determined the Company cannot reasonably forecast future cash flows. Igene received a valuation of its tangible and intangible assets held December 31, 2007 and has recorded the values based on the received valuation.

Inventories

Inventories consist of finished goods, and are stated based on the valuation received at the close of the separation of the Joint Venture. Inventory is tracked by specific lot number.

Income Taxes

Igene utilizes the asset and liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for operating loss and tax credit carry forwards and for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that the value of such assets will be realized.

Revenue Recognition

Igene's revenue recognition policy is consistent with the criteria set forth in Staff Accounting Bulletin (SAB) 104, "Revenue Recognition in Financial Statements" for determining when revenue is realized or realizable and earned. In accordance with the requirements of SAB 104 the Company recognizes revenue when (1) persuasive evidence of an arrangement exists, (2) delivery has occurred, (3) the seller's price is fixed or determinable, and (4) collectability is reasonably assured.

Intangible Assets

Intangible assets with estimable useful lives are amortized over respective estimated useful lives, and reviewed for impairment in accordance with SFAS 142, "Goodwill and Other Intangible Assets." Igene has recorded values for customer contracts, intellectual property and a non-compete contract received as part of the separation from Tate & Lyle. These values are based on the independent valuation received at the close of the venture. As this valuation was received after December 31, 2007 and deemed to be accurate as of that date, no amortization was taken for 2007, and will begin in 2008.

Customer contracts are for a term of one year and the value will be amortized over 2008. The non- compete contract is for a term of five years and will amortized over the life of the contract. Intellectual property will tested annually for impairment, and any impaired value shall be written-off.

New accounting pronouncements

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards SFAS 157 "Fair Value Measurements." SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements.

Prior to SFAS 157, there were different definitions of fair value and limited guidance for applying those definitions in GAAP. Moreover, that guidance was dispersed among the many accounting pronouncements that require fair value measurements. SFAS 157 clarifies that the exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability.

SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently evaluating the impact, if any, that SFAS 157 will have on its financial position, results of operations and cash flows.

In June 2006, the Financial Accounting Standards Board ("FASB") issued Financial Accounting Standards Board Interpretation FIN 48, "Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement No. 109." FIN 48 provides a comprehensive model for the recognition, measurement and disclosure in the financial statements of uncertain tax positions taken or expected to be taken on a tax return. The Company adopted FIN 48 effective beginning on January 1, 2007. The Company is currently evaluating the impact this interpretation may have on its future financial position, results of operations, earnings per share, or cash flows.

Management does not believe the effects of the above described recent pronouncements or others will have a significant impact on our financial statements.

(2) Non-cash investing and financing activities

During 2006, 7,375 shares of redeemable preferred stock, with a recorded aggregate value of $141,600, were converted into 14,750 shares of common stock. This included the 8% Cumulative Convertible Preferred Stock, Series B and has relieved the Company of this amount of long-term debt.

During the course of 2006, Fermic, Igene's manufacturing agent, earned 545,569 shares of common stock as part of the manufacturing agreement. Fermic earned 2,250 shares of common stock for each kilogram of pure astaxanthin produced and delivered as part of the agreement. The average price is based on the market value of the shares at the time the product was produced. Fermic has earned all 20,000,000 shares available under the contract. The 545,569 shares were earned at an average price of $.056 per share for 2006.

During 2006, 312,000 shares of common stock were issued as part of employee stock option exercises. The Company received $10,300 based on an average exercise price of $.033 per share.

During 2006, 7,884 warrants were exercised for $788. 7,884 new shares of common stock were issued pursuant to the exercise.

During 2006, 1,000,000 shares of common stock were issued to the Joint Venture's new Vice President of Manufacturing as part of his agreement in accepting the position. The cost was expensed at a cost of $.05 per share or $50,000.

During 2007 and 2006, Igene recorded dividends in arrears on its 8% Redeemable Preferred Stock, Series A at $.64 per share aggregating $7,126 and $8,306 respectively, on such preferred stock which has been removed from paid-in capital and included in the carrying value of the redeemable preferred stock. (see also note 9).

(3) Concentration of Credit Risk

Igene is potentially subject to the effects of a concentration of credit risk in accounts receivable. Accounts receivable is substantially composed of receivables from customers in Chile, which is an important market for Igene's product, AstaXin®. Chile has from time to time experienced political unrest and currency instability. Because of the volume of business transacted by Igene in Chile, recurrence of such unrest or instability could adversely affect the businesses of its customers in Chile or Igene's ability to collect its receivables from these customers. In order to minimize risk, Igene strictly evaluates the companies to which it extends credit and all prices are denominated in U.S. dollars so as to minimize currency fluctuation risk. Losses due to credit risks in accounts receivable are expected to be immaterial.

(4) Property and Equipment

Property and equipment are stated at cost and are summarized as follows:

Laboratory equipment and fixtures	$ 130,964
Idle equipment	706,667
Pilot plant equipment and fixtures	91,503
Office furniture and fixtures	36,990
	966,124
Less accumulated depreciation	(252,631)
	$ 713,493

(5) Investment in Joint Venture

On March 19, 2003, Igene entered into a Joint Venture Agreement with Tate & Lyle Fermentation Products Ltd., a subsidiary of Tate & Lyle PLC ("Tate") pursuant to which Igene and Tate agreed to form a joint venture (the "Joint Venture") to manufacture, market and sell astaxanthin and derivative products throughout the world for all uses other than as a nutraceutical or otherwise for direct human consumption. Tate contributed $24,600,000 to the Joint Venture, which included certain of its facility assets previously used in citric acid production, while Igene transferred to the Joint Venture its technology relating to the production of astaxanthin and assets related thereto. The initial value of Igene's investment in the Joint Venture had been recorded at an amount equal to the book value of Igene's consideration contributed at the creation of the Joint Venture. As the cost of Igene's technology and intellectual property had been previously expensed and had a carrying amount of zero, the investment in the Joint Venture had been recorded with a book value of $316,869, which represents the unamortized production costs contributed to the Joint Venture. In addition, Igene also contributed $6,000 to the capital of the Joint Venture. Sales and cost of sales activity were recorded as part of the operations of the unconsolidated venture.

On October 31, 2007, Igene and Tate entered into a Separation Agreement pursuant to which the Joint Venture Agreement was terminated. As part of the Agreement, Igene sold to Tate its 50% interest in the Joint Venture and the Joint Venture sold to Igene its intellectual property, inventory and certain assets and lab equipment utilized by the Joint Venture. The purchase price paid by Tate to Igene for its 50% interest was 50% of the Joint Venture's net working capital. The purchase price paid by Igene for the inventory was an amount equal to 50% of the Joint Venture's net working capital, the assumption of various liabilities and the current market price of the inventory, less specified amounts. In addition, Igene agreed to pay to Tate an amount equal to 5% of Igene's gross revenues from the sale of astaxanthin up to a maximum of $5,000,000. Tate agreed for a period of five years not to engage in the astaxanthin business.

Upon the termination of the Joint Venture it was determined that the transaction should be recorded as the purchase of a business. Based on that determination a valuation expert was hired to determine the fair value of the assets received and the liabilities assumed. As the fair value received exceeded the liabilities assumed the fair value of the assets received were reduced to equal the liabilities assumed. The table below shows the original determined fair value, the reduction, and the subsequent values recorded.

IGENE Biotechnology, Inc. and Subsidiary
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Years ended December 31, 2007 and 2006

	Fair Value		Assets Subject to pro-rata	Allocate Excess Fair Value over Cost		
	Credit	**Debit**	**Reduction**	**Adjustment**	**Credit**	**Debit**
Tangible Assets Acquired						
Current Assets						
Inventory	9,873,934				9,873,934	
Non-Current Assets						
Downstream Assets and Lab Equipment	4,000,000		4,000,000	(3,569,294)	430,706	
Deferred Tax Assets	-				-	
Chilean Subsidiary	8,182		8,182	(7,301)	881	
Total Assets	13,882,116				10,305,521	
Assumed Liabilities						
Rebate Liabilities		857,550				857,550
A/P		890,000				890,000
Royalty of 5% up to $5M (contingent)		5,000,000				5,000,000
Removal of downstream assets		500,000				500,000
Collection Obligation		51,069				51,069
Total Liabilities		7,298,619				7,298,619
Net Tangible Assets/Liabilities	6,583,497				3,006,902	
Intangible Assets Acquired						
5 year non-compete	1,430,000		1,430,000	(1,276,023)	153,977	
Customers contracts	2,170,000		2,170,000	(1,936,342)	233,658	
Intellectual Property	1,390,000		1,390.000	(1,240,330)	149,670	
Total Intangible Assets Acquired	4,990,000				537,306	
Total Net Assets Acquired	11,573,497		8,998,182	(8,029,289)	3,544,208	
Consideration Paid						
Deferred Payment						
T&L Calculated Deferred Payment	1,564,207					
Downstream Assets and Lab Equipment	1,000,000					
Net Deferred Payment	2,564,207					
Cash Payment	1					
Forgive Receivable from JV	980,000					
Fair value Igene shares in JV	-					
Total Consideration Paid	3,544,208				3,544,208	
Extraordinary Gain	-				-	
Goodwill/(Negative Goodwill)	(8,029,289)				-	

IGENE Biotechnology, Inc. and Subsidiary
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As a result of the Joint Venture termination, Igene is now researching several alternatives for a potential new source of production. At the current pace, Igene expects to have inventories of existing product necessary to meet demand through the third quarter of 2008. Igene expects to be out of the market for an uncertain period of time following the third quarter of 2008 until a new source of production can be identified, commence operations and yield salable product.

As a result of the Joint Venture, the production, sales and marketing of astaxanthin through October 2007 took place through the unconsolidated Joint Venture. From inception on March 18, 2003 through the Joint Venture's final reporting on September 30, 2007, Igene's portion of the Joint Venture's net loss was $21,826,251. The loss was a result of a 50% interest in the following: Gross profit from inception was a negative $21,304,462 on sales of $38,380,752, less manufacturing cost of $59,685,214. Selling and general and administrative expenses were $16,542,813, and interest expense was $5,805,227. The resulting loss was $43,652,502. Igene's 50% portion of the Joint Venture loss was $21,826,251.

Because the Company accounts for its investment in the Joint Venture under the equity method of accounting, it would ordinarily recognize as part of loss from equity the loss of its 50% ownership portion of the loss of the Joint Venture. However, losses in the Joint Venture are recognized only to the extent of the Investment in and Advances to the Joint Venture. Losses in excess of this amount are suspended from recognition in the financial statements and carried forward to offset Igene's share of the Joint Venture's future income, if any.

At September 30, 2007, prior to the recognition of its portion of the Joint Venture loss, Igene's investment in the Joint Venture consisted of $322,869 and its net advances to the Joint Venture amounted to $1,007,888, for a total of $1,330,757. Through December 31, 2006, Igene recognized $1,491,981 of the $15,922,400 loss, which existed as part of the Joint Venture. In the first six months of 2007, the balances of the funds due to Igene were reduced by a net repayment of $258,628, representing the June 30, 2007 balance of $1,233,353. For the three months ended September 30, 2007, Igene recognized a loss from the advance for that period of $97,404. This advance decreased the additional suspended loss of $1,293,769 for the quarter. The cumulative suspended loss at September 30, 2007 was $20,495,494 and it will be carried forward to offset Igene's share of earnings from the Joint Venture, if any. The balance in the Advances to and Investment in Joint Venture account on the Company's condensed consolidated financial statements was zero at September 30, 2007.

The following condensed statement displays the activity of the Joint Venture for the period of initial investment at March 19, 2003 in the Joint Venture through September 30, 2007. As shown, 50% of the activity, limited to Igene's investment, is recorded as part of Igene's Financial Statements as loss from investment in the Joint Venture:

	September 30, 2007
ASSETS	
CURRENT ASSETS	
Cash	$ 2,645,000
Account Receivable	4,711,000
Inventory	13,069,000
	20,425,000
OTHER ASSETS	
Property, plant and equipment, net	19,668,000
Intangibles	24,614,000
TOTAL ASSETS	$ 64,707,000

LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Accounts payable and accrued expenses (majority of which is due to one joint venturer)	$ 48,419,000
Working capital loan	7,628,000
TOTAL LIABILITIES	56,047,000
Equity	8,660,000
TOTAL LIABILITIES AND EQUITY	$ 64,707,000

	Period from March 19, 2003 (initial investment) to September 30, 2007
Net Sales	$ 38,380,752
Less: manufacturing cost	(59,685,214)
Gross Profit (Loss)	(21,304,462)
Less: selling, general and administrative	(16,542,813)
Operating Loss	(37,847,275)
Interest Expense	(5,805,227)
Net Loss	$ (43,652,502)
Igene's 50% equity interest in the net loss	$ (21,826,251)
Igene's Investment in and Advances to the Joint Venture	(1,330,757)
Igene's suspended loss at September 30, 2007	$ (20,495,494)

(6) Convertible Debentures

As previously stated in the Registrant's third quarter Form 10-QSB, on November 13, 2001, Igene entered into Convertible Promissory Notes (the "Convertible Notes") with each of the following note holders for the following respective amounts: (a) NorInnova AS (formerly Forskningsparken I Tromsǿ AS) for $106,500; (b) Knut Gjernes for $7,500; (c) Magne Russ Simenson for $378,000; and (d) Nord Invest AS for $313,000. Each of the Convertible Notes had a maturity date of November 1, 2004. On November 18, 2005, each of the Convertible Note Holders provided Igene with written notice of default under each of the Convertible Notes.

On November 29, 2006, the Convertible Note holders filed a complaint against the Company in the Circuit Court of Howard County, Maryland seeking payment of all outstanding amounts due under the Convertible Notes. On February 23, 2007, the Company paid $762,638 to the Convertible Note holders as settlement of all claims related to the Convertible Notes. The complaint was dismissed with prejudice on March 6, 2007.

In an attempt to settle the matter, the Note holders were offered the ability to extend the notes they held for a period of ten years at an interest rate of 5%. The conversion would be changed from the original debenture rate of $.10 (ten cents) per share to the current market rate of $.02 (two cents) per share. They rejected the offer.

The funds to settle the litigation were provided by Igene's directors using the terms offered above to the debenture holders. On February 15, 2007, Igene issued and sold $762,000 in aggregate principal amount of 5% convertible debentures, 50% each to two directors of Igene. These debentures are convertible into shares of Igene's common stock at $.02 per share based on the offer made to the original debenture holders as the market price of Igene's shares at the time the debentures terms were agreed upon.

On July 17, 2002, Igene issued and sold $300,000 in aggregate principal amount of 8% convertible debentures, 50% each to two directors of Igene. These debentures are convertible into shares of Igene's common stock at $.03 per share based on the market price of Igene's shares at the time the debentures were agreed to. In consideration of the commitment to purchase the 8% convertible debenture, these directors also received an aggregate of 10,000,000 warrants to purchase common stock at $.03 per share. These debentures, if not converted earlier, become due on July 17, 2012.

On February 22, 2002, Igene issued and sold $1,000,000 in aggregate principal amount of 8% convertible debentures, 50% each to two directors of Igene. These debentures are convertible into shares of Igene's common stock at $.04 per share based on the market price of Igene's shares at the time the debentures were agreed to. In consideration of the commitment to purchase the 8% convertible debenture, these directors also received an aggregate of 25,000,000 warrants to purchase common stock at $.04 per share. These debentures, if not converted earlier, become due on February 22, 2012.

In March 2001, Igene issued $1,014,211 of 8%, 10-year, convertible debentures to certain directors of Igene in exchange for the cancellation of $800,000 of demand notes payable (including accrued interest of $14,212) and $200,000 in cash. $600,000 of these demand notes were issued during 2000 and $200,000 were issued subsequently. These debentures are convertible into 10,142,110 shares of Igene's common stock at $.08 per share. These directors also received 10,142,110 warrants to purchase common stock at $.08 per share. Interest is payable at maturity.

In March 2001, certain directors of Igene also committed to provide additional funding in the form of 8%, 10-year, convertible debentures in the amount of $1,500,000. In consideration of this commitment, these directors also received 18,750,000 warrants to purchase common stock at $.08 per share. These debentures are convertible into 18,750,000 shares of Igene's common stock at $.08 per share. Interest is payable at maturity.

The warrants issued in connection with the above debt totaling 66,427,651 warrants have been valued at $1,896,094 utilizing the Black Scholes model. In addition, there was a beneficial conversion feature due to the resulting bond discount. The total discount resulting from the valuation of the warrants and the beneficial conversion feature was $3,792,188 which is being amortized over the life of the debt (ten years).

Convertible debentures are summarized as follows as of December 31, 2007:

	Principal	Accrued Interest
8%, 10-year, convertible debenture issued 7/17/02	$ 300,000	$ 130,718
8%, 10-year, convertible debenture issued 2/22/02	1,000,000	464,877
8%, 10-year, convertible debenture issued 3/1/01	1,014,212	554,274
8%, 10-year, convertible debenture issued 3/27/01	1,500,000	774,180
5%, 10-year, convertible debenture issued 2/15/07	762,000	32,672
	$ 4,576,212	$ 1,956,721
Less unamortized debt discount	(1,331,548)	---
	$ 3,244,664	$ 1,956,721

(7) Notes Payable

This long term debt, approximately $5,800,000 which was scheduled to become payable in March 2003, had been extended to be due March 2006. It has been extended a second time to be due March 2009. Management felt any attempts to satisfy the debt on its original due date would have had materially adverse effects on the Company.

As a part of the terms of the first extension of the debt, the exercise prices of the warrants and any conversion features were discounted by 25%, thus a $.10 warrant is now convertible at $.075. As part of the terms of the second extension of the debt, the exercise prices of the warrants and any conversion features were discounted again by 25%, thus a $.075 warrant is now convertible at $.056.

Beginning November 16, 1995 and continuing through May 8, 1997, Igene issued promissory notes to certain directors for aggregate consideration of $1,082,500. These notes specify that at any time prior to repayment the holder has the right to convert the notes to common stock of Igene at prices ranging from $0.05 per share to $0.135 per share, based on the market price of common shares at the respective issue dates. The notes were convertible in total into 13,174,478 shares of common stock. As a result of the extensions they are now convertible into 23,421,273 shares of common stock. Concurrently, with each of the $1,082,500 of promissory notes, the holders also received 13,174,478 warrants for an equivalent number of shares at the equivalent price per share. The warrants expire ten years from the date of issue of the notes. As a result of the extension of debt the warrant exercise prices were reduced by 25%. These notes were modified in conjunction with the 1998 rights offering to be due on March 31, 2003, and have been extended to March 31, 2009 as part of the extension. The notes bear interest at the prime rate.

As part of the rights offering in March 1998, Igene issued $5,000,000 of its 8% Notes due March 31, 2003 and 50,000,000 warrants to purchase one share of common stock at an exercise price of $0.10 per share expiring March 31, 2008. The maturity date of these notes had been extended to March 31, 2006, and the exercise price reduced to $.075 per share. The maturity date of these notes have again been extended to March 31, 2009, and the exercise price reduced to $.056 per share.

The warrants issued in connection with the above debt totaling 65,168,639 warrants have been valued at $731,127 utilizing the Black-Scholes valuation model at March 31, 2003. In addition, as a result of the repricing of the warrants in March 2006, the warrants were re-valued at $2,663,310. The $1,082,500 of convertible debt has a beneficial conversion feature in addition to the valuation of the related warrants. The total discount resulting from the valuation of the warrants and the beneficial conversion was $3,082,676 which is being amortized over the life of the debt (three years).

Notes Payable are summarized as follows as of December 31, 2007:

	Principal	Accrued Interest
Long-term unsecured notes payable, bearing interest at prime, scheduled to mature March 31, 2003, extended to March 31, 2009, convertible into common stock	$ 1,082,500	$ 770,389
Long-term unsecured notes payable, bearing interest at 8%, scheduled to mature March 31, 2003, extended to March 31, 2009	4,759,767	3,714,966
	$ 5,842,267	$ 4,485,355
Less unamortized debt discount	(1,198,818)	
	$ 4,643,449	$ 4,485,355

Combined aggregate amounts of maturities for all convertible debentures and notes payable are as follows:

Year	Amount
2009	$ 5,842,267
2010	---
2011	2,514,212
2012	1,300,000
2017	762,000

(8) Redeemable Preferred Stock

Each share of redeemable preferred stock is entitled to vote on all matters requiring shareholder approval as one class together with holders of common stock. Each share of redeemable preferred stock is entitled to two votes and each share of common stock is entitled to one vote.

Redeemable preferred stock is convertible at the option of the holder at any time, unless previously redeemed, into shares of Igene's common stock at the rate of two shares of common stock for each share of preferred stock (equivalent to a conversion price of $4.00 per common share), subject to adjustment under certain conditions.

Shares of redeemable preferred stock are redeemable for cash in whole or in part at the option of Igene at any time at the stated value plus accrued and unpaid dividends to the redemption date. Dividends are cumulative and payable quarterly on January 1, April 1, July 1 and October 1, since January 1, 1988.

Mandatory redemption of Series A preferred stock was to be made in October 2002. As Igene is operating at a negative cash flow and negative earnings, Maryland law does not allow for the redemption of these shares. As such they will remain outstanding and continue to accrue dividends until such time as Igene is able to undertake redemption, though there can be no assurance this will develop. Igene does not expect to be able to redeem the Series A preferred stock unless, after giving effect to such redemption (a) the Company would be able to pay its indebtedness in the usual course of business and (b) the Company's total assets would be greater than the sum of its total liabilities plus the amount that would be needed if the Company were to be dissolved as of the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights on dissolution are superior to those receiving the distribution.

In December 1988, as part of an overall effort to contain costs and conserve working capital, Igene suspended payment of the quarterly dividend on its preferred stock. Resumption of the dividend will require significant improvements in cash flow. Unpaid dividends cumulate for future payment or addition to the liquidation preference or redemption value of the preferred stock. As of December 31, 2007, total dividends in arrears on Igene's preferred stock equal $137,171 (or $12.32 per share) on Igene's Series A and are included in the carrying value of the redeemable preferred stock.

(9) Stockholders' Equity

Options

In June of 2001, the stockholders approved the 2001 Stock Option Plan (the "2001 Plan"), which succeeds the 1997 Stock Option Plan (the "1997 Plan"), which succeeded Igene's 1986 Stock Option Plan (the "1986 Plan"), as amended. All outstanding, unexercised options granted under the 1997 and 1986 Plans remain outstanding with unchanged terms. The number of shares authorized for issuance under the 2001 Plan is 55,000,000. This is in addition to the 20,000,000 shares authorized for issuance under the 1997 Plan, and the 2,000,000 shares authorized for issuance under the 1986 Plan.

The following is a summary of options granted and outstanding under the plans as of December 31, 2007 and 2006:

	2007		2006	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Options outstanding and exercisable, beginning of year	44,845,000	$ .059	48,427,750	$ .061
Options granted	---	---	---	---
Options exercised	---	---	312,000	$ .033
Options forfeited, or withdrawn with consent of holders	---	---	1,600,000	$ .100
Options expired	---	---	1,670,750	$ .050
Options outstanding and exercisable, end of year	44,845,000	$ .059	44,845,000	$ .059

Options Outstanding

Exercise Price	Shares	Weighted Average Remaining Life (Years)
$.025	16,333,000	4.6
$.027	1,500,000	7.9
$.050	1,500,000	1.8
$.050	3,837,500	2.0
$.050	2,500,000	3.9
$.065	45,000	3.0
$.080	5,500,000	3.8
$.100	10,389,500	6.5
$.100	3,240,000	0.3
$.059	44,845,000	

Warrants

The following table summarizes warrants issued, outstanding and exercisable:

	As of December 31,	
	2007	2006
Issued	205,261,073	205,261,073
Outstanding	205,261,073	205,261,073
Exercisable	205,261,073	205,261,073

Common Stock

At December 31, 2007, 205,261,073 shares of authorized but unissued common stock were reserved for issuance upon exercise of outstanding warrants, 44,845,000 shares of authorized but unissued common stock were reserved for exercise pursuant to the 1997 and 2001 Stock Option Plans, 22,268 shares of authorized but unissued common stock were reserved for issuance upon conversion of Igene's outstanding preferred stock, and 127,948,924 shares of authorized but unissued stock were reserved for issuance upon conversion of outstanding convertible notes.

On October 15, 2007, Mr. Monahan, Igene's Vice-President, Secretary and Director of Manufacturing, was issued 1,000,000 shares of Igene's common stock, valued at $21,000, in connection with his employment with, and services to, Igene. The shares of common stock were issued pursuant to the exemption from registration provided under Section 4(2) of the Securities Act, as Mr. Monahan is an executive officer of the Company.

Preferred Stock

As of December 31, 2007, total dividends in arrears on Igene's preferred stock equal $137,171 (or $12.32 per share) on Igene's Series A and are included in the carrying value of the redeemable preferred stock.

(10) Net Loss Per Common Share

Net loss per common share for 2007 and 2006 is based on 109,679,538 and 108,387,454 weighted average shares, respectively. For purposes of computing net loss per common share, the amount of net loss has been increased by dividends declared and cumulative undeclared dividends in arrears on preferred stock.

Common stock equivalents, including: options, warrants, convertible debt, convertible preferred stock, and exercisable rights have not been included in the computation of earnings per share in 2006 because to do so would have been anti-dilutive. As of December 31, 2007 and 2006, dilutive and potentially dilutive shares totaled 378,077,265 and 374,414,599 respectively.

(11) Commitments

Igene is obligated for office and laboratory facilities and other rentals under operating lease agreements, which expire in 2011. The base annual rentals are approximately $101,000, increasing to $106,000 by the end of the lease term, plus the Company's share of taxes, insurance and other costs. Annual rent expense relating to the leases for the years ended December 31, 2007 and 2006 approximated $118,850 and $118,600, respectively.

Future minimum rental payments, in the aggregate and for each of the next five years are as follows:

Year	Amount
2008	$ 101,000
2009	103,000
2010	106,000
2011	9,000
Total	$319,000

Effective May 20, 2000, Igene signed an exclusive manufacturing agreement with Fermic, S.A. de C.V. ("Fermic"), of Mexico City, Mexico, for the production of AstaXin®. The Fermic contract provides that the manufacturer has a limited exclusive right to produce AstaXin® and is paid a monthly fee in cash, which is based on manufacturing capacity, plus shares of Igene common stock based on production quantities. Fermic provides equipment and facilities necessary to manufacture and store the product and is responsible for purchasing raw materials. The Joint Venture is responsible for sales efforts and for ensuring the quality of the pigment. The Joint Venture also has a role in ensuring that the manufacturing process works effectively. The term of the contract has expired.

Based on production of AstaXin®, Igene had committed to issue to Fermic up to a maximum of 20,000,000 shares of Igene common stock during the six year period which expired May 20, 2006 in accordance with the manufacturing agreement. Based on quantities of AstaXin® produced, all shares have been earned and issued to Fermic. Since the inception of the agreement, stock has been recorded as a manufacturing expense and also as an increase in common stock and additional paid in capital of $1,356,520. The expense is now recorded on the books of the Joint Venture with the related receivable from the Joint Venture on the books of Igene. This amount has been computed based on the fair value of the stock as of the period in which the shares were earned.

(12) Income Taxes

No income tax benefit or deferred tax asset is reflected in the financial statements. Deferred tax assets are recognized for future deductible temporary difference and tax loss carry forwards if their realization is "more likely than not."

At December 31, 2007 Igene has federal and state net operating loss carry-forwards of approximately $22,871,000 that expire at various dates from 2008 through 2027. The recorded deferred tax asset, representing the expected benefit from the future realization of the net operating losses, net of the valuation allowance, was $-0- for 2007 and 2006.

The sources of the deferred tax asset are approximately as follows:

Net operating loss carry-forward benefit	$ 7,776,000
Valuation allowance	(7,776,000)
Deferred tax asset, net	$ ---

(13) Going Concern

Igene has incurred net losses in each year of its existence, aggregating approximately $48,739,000 from inception to December 31, 2007 and its liabilities exceeded its assets by approximately $14,360,000 at that date. These factors indicate that Igene will not be able to continue in existence unless it is able to raise additional capital and attain profitable operations.

As discussed as of October 31, 2007 Igene has terminated its relationship with the Joint Venture with Tate & Lyle. Igene maintains the saleable inventory after the termination of the relationship and is currently reviewing alternatives for a future manufacturing alternative. In the interim Igene will sell the existing inventory in order to maintain its relationship with customers and use these funds to cover expenses.

(14) Nature of Risks and Concentrations

Revenue during 2007 and 2006 were derived from sales of the product, AstaXin®. The majority of the 2007 and 2006 sales were to fish producers in the aquaculture industry in Chile.

The preceding concentrations subject Igene to certain risks. For example, it is considered at least reasonably possible that any particular customer, distributor, product line, or provider of services or facilities could be lost in the near term. The separation from Tate & Lyle has left Igene with no production facility and inventory which should last through the fourth quarter of 2008. Igene is currently reviewing alternatives for manufacturing, but has not yet secured one. It is also considered at least reasonably possible that operations located outside the United States could be disrupted in the near term. However, Igene has at present no information that would lead it to believe that it will lose its principal product, principal customers, or its contracted manufacturer; or that its operations in Mexico City or Chile will be disrupted, though this belief can not be assured.

(15) Retirement Plan

Effective February 1, 1997 Igene adopted a Simple Retirement Plan under Internal Revenue Code Section 408(p). The plan was a defined contribution plan, which covered all of Igene's U.S. employees who receive at least $5,000 of compensation for the preceding year. The plan permitted elective employee contributions. Effective January 1, 2003, Igene made an elective contribution of 3% of each eligible employee's compensation for each year. Igene's contributions to the plan for 2003 were $17,631.

Effective February 1, 2004 Igene discontinued use of the Simple Retirement Plan and began use of a 401K savings/retirement plan, or 401(k) Plan. The 401(k) Plan permits our eligible employees to defer annual compensation, subject to limitations imposed by the Internal Revenue Code. All employees that have been employed for six months are eligible for the plan. The plan permits elective contributions by the Company's eligible employees based under the Internal Revenue Code, which are immediately vested and non-forfeitable upon contribution to the 401(k) Plan. Effective January 1, 2004, Igene made an elective contribution, subject to limitations, of 4% of each eligible employee's compensation for each year. Igene's contributions to the plan for 2007 and 2006 were $28,392 and $25,996, respectively, which is expensed in the statement of operations.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IGENE Biotechnology, Inc.
(Registrant)

By /S/ STEPHEN F. HIU
STEPHEN F. HIU
President, Chief Technical Officer
and Treasurer

Date May 1, 2008

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ STEPHEN F. HIU STEPHEN F. HIU	Director, President, Chief Technical Officer (principal executive officer)	May 1, 2008
/S/ EDWARD J. WEISBERGER EDWARD J. WEISBERGER	Chief Financial Officer (principal financial and accounting officer)	May 1, 2008
/S/ THOMAS L. KEMPNER THOMAS L. KEMPNER	Vice Chairman of Board of Directors	May 1, 2008
/S/ MICHAEL G. KIMELMAN MICHAEL G. KIMELMAN	Chairman of the Board of Directors	May 1, 2008
/S/ SIDNEY R. KNAFEL SIDNEY R. KNAFEL	Director	May 1, 2008
/S/ PATRICK F. MONAHAN PATRICK F. MONAHAN	Director, Vice President Secretary and Director of Manufacturing	May 1, 2008

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
3.1	Articles of Incorporation of the Registrant, as amended as of November 17, 1997, constituting Exhibit 3.1 to the Registration Statement No. 333-41581 on Form SB-2 filed with the SEC on December 5, 1997, are hereby incorporated by reference.
3.2	Articles of Amendment to Articles of Incorporation of the Registrant, constituting Exhibit 3.1(b) to the Registration Statement No. 333-76616 on Form S-8 filed with the SEC on January 11, 2002, are hereby incorporated by reference.
3.3	By-Laws of the Registrant, constituting Exhibit 3.2 to the Registration Statement No. 33-5441 on Form S-1 filed with the SEC on May 6, 1986, are hereby incorporated by reference.
4.1	Form of Variable Rate Convertible Subordinated Debenture Due 2002 (Class A), constituting Exhibit 4.4 to the Registration Statement No. 33-5441 on Form S-1 filed with the SEC on May 6, 1986, is hereby incorporated by reference.
4.2	Form of Indenture by and between the Registrant and American Stock Transfer and Trust Company, as Trustee, dated as of March 31, 1998, constituting Exhibit 4.2 to the Registration Statement No. 333-41581 on Form SB-2/A filed with the SEC on January 23, 1998, is hereby incorporated by reference.
4.3	Warrant Agreement by and between the Registrant and American Stock Transfer and Trust Company, as Warrant Agent, dated as of March 31, 1998, constituting Exhibit 4.3 to the Registration Statement No. 333-41581 on Form SB-2/A filed with the SEC on January 23, 1998, is hereby incorporated by reference.
4.4	First Amendment to Indenture, Securities, Warrant Agreement and Warrant Certificates by and between Registrant and American Stock Transfer and Trust Company dated as of March 18, 2003, constituting Exhibit 10.11 to the Quarterly Report on Form 10-QSB filed with the SEC on May 14, 2003, is hereby incorporated by reference.
4.5	Second Amendment to Indenture, Securities, Warrant Agreement and Warrant Certificates by and between Registrant and American Stock Transfer and Trust Company dated as of March 28, 2006, constituting Exhibit 4.5 to the Annual Report on Form 10-KSB filed with the SEC on April 13, 2006, is hereby incorporated by reference.
10.1	Form of Conversion and Exchange Agreement used in May 1988 in connection with the conversion and exchange by certain holders of shares of preferred stock for common stock and Warrants, constituting Exhibit 10.19 to the Registration Statement No. 33-5441 on Form S-1 filed with the SEC on May 6, 1986, is hereby incorporated by reference.
10.2	Preferred Stockholders' Waiver Agreement dated May 5, 1988, constituting Exhibit 10.3 to the Registration Statement No. 33-23266 on Form S-1 filed with the SEC on July 22, 1988, is hereby incorporated by reference.
10.3	Form of Agreement between the Registrant and Certain Investors in Preferred Stock dated September 30, 1987, constituting Exhibit 10.4 to the Registration Statement No. 33-23266 on Form S-1/A, is hereby incorporated by reference.
10.4	Agreement of Lease between Columbia Warehouse Limited Partnership and the Registrant effective December 15, 1995, constituting Exhibit 10.13 to the Annual Report on Form 10-KSB filed with the SEC on April 12, 1996, is hereby incorporated by reference.
10.5	First Amendment to Lease between the Registrant and Red Branch Center, LLC made September 13, 2000, constituting Exhibit 10.8 to the Annual Report on Form 10-KSB filed with the SEC on April 2, 2001, is hereby incorporated by reference.
10.6	Separation Agreement between the Registrant and Tate & Lyle Fermentation Products Ltd.

	dated as of October 31, 2007, constituting Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on November 6, 2007, is hereby incorporated by reference.
21.1	Subsidiaries*
23.1	Consent of McElravy, Kinchen & Assosicates, P.C.*
31.1	Rule 13a-14(a) or 15d-14(a) Certification of the Registrant's principal executive officer.*
31.2	Rule 13a-14(a) or 15d-14(a) Certification of the Registrant's principal financial officer.*
32.1	Rule 13a-14(b) or 15d-14(b) Certification of the Registrant's principal executive officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Rule 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Rule 13a-14(b) or 15d-14(b) Certification of the Registrant's principal financial officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Rule 906 of the Sarbanes-Oxley Act of 2002.*

*****Filed herewith

EXHIBIT 21.1

SUBSIDIARIES OF IGENE BIOTECHNOLOGY, INC.

The table below sets forth all subsidiaries of Igene Biotechnology, Inc. and the state or other jurisdiction of incorporation or organization of each.

Subsidiary	Jurisdiction of Organization
Igene Chile Comercial, Ltda.	Chile

EXHIBIT 31.1

I, Stephen F. Hiu, certify that:

1. I have reviewed this Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007 of Igene Biotechnology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(3)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: May 1, 2008

/S/ STEPHEN F. HIU
STEPHEN F. HIU
President
(principal executive officer)

EXHIBIT 31.2

I, Edward J. Weisberger, certify that:

1. I have reviewed this Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007 of Igene Biotechnology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the small business issuer's internal control financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: May 1, 2008

/S/ EDWARD J. WEISBERGER
EDWARD J. WEISBERGER
Chief Financial Officer
(principal financial officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Igene Biotechnology, Inc. (the "Company") Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen F. Hiu, President of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2008

By:

/S/ STEPHEN F. HIU
STEPHEN F. HIU
President
(principal executive officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with Igene Biotechnology, Inc. (the "Company") Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007**,** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward J. Weisberger, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2008

By:
/S/ EDWARD J. WEISBERGER
EDWARD J. WEISBERGER
Chief Financial Officer
(principal financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.